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LEGISLATIVE HISTORY

Public Law 233--82nd Congress

Chapter 631--1st Session

S. 1046

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## DIGEST OF PUBLIC LAW 233

POSTAL RATE CHANGES; ANNUAL AND SICK LEAVE ACT OF 1951: Title I makes various changes in postal rates, some of which are as follows:

First-class Mail. The rate on postal cards is increased from 1¢ to 2¢, with an additional charge of 1¢ on cards sold in quantities of 50 or more.

Second-class Mail. (newspapers and magazines). Provides for 3 permanent increases of 10% each in the total postage computed at the pound rates on that portion of second-class mail sent outside the county of publication. The increases are effective on April 1 of each of the years 1952, 1953, and 1954. The increases would not apply, however, to newspapers and periodicals maintained by and in the interests of religious, educational, scientific, agricultural, and other specified organizations, and their rates will continue at 1½¢ per pound or fraction thereof. The free-in-county mailing privilege and the rates on matter to be delivered in the county where published are unchanged.

Third-class Mail (largely circulars and advertising matter). Effective July 1, 1952, the minimum charge for third-class matter mailed in bulk will be increased from 1¢ per piece to 1½¢, "except that in the case of books and catalogs of twenty-four pages or more, seeds, cuttings, bulbs, roots, scions, and plants the rate shall be 10 cents for each pound or fraction thereof" with a minimum charge of 1½¢ per piece.

Special-delivery. The rate on matter weighing less than 2 pounds is increased from 15¢ to 20¢ on first-class mail, and from 25¢ to 35¢ on mail in the other classes. Rates on matter weighing 2 pounds, but not more than 10 pounds are increased from 25¢ to 35¢ for first-class mail, and from 35¢ to 45¢ for the other classes. For first-class mail over 10 pounds, the rate increases from 35¢ to 50¢ and the rate on matter in the other classes increases from 45¢ to 60¢.

Changes are also made in fees for other special services, such as registered and insured mail.

The act establishes a Joint Committee on the Postal Service, to be composed of 3 members each from the House and Senate Post Office and Civil Service Committees. The joint committee will make a continuing study of postal matters.

Effective Date. Unless otherwise specified above, these changes are effective January 1, 1952.

Title II, the Annual and Sick Leave Act of 1951, contains the following provisions, among others:

Annual Leave. Provides that most Government employees shall be entitled to annual leave on the following basis: Employees with less than three years service, 13 days per year; employees with three but less than fifteen years of service, 20 days per year; and employees with fifteen years



or more of service, 26 days per year. 60 days of leave may be accumulated. Service creditable under the Civil Service Retirement Act of 1930 will be counted as service for the purposes of the act, and the determination of the period of service may be made on the basis of the employee's affidavit. In general, employees stationed outside the several States and D. C. may accumulate 30 days of annual leave.

Sick Leave. Employees will be entitled to sick leave at the rate of 13 days per year, but there is no limitation on the number of days that may be accumulated.

Exemptions. Officers and employees of any corporation under the supervision of the Farm Credit Administration of which corporation any member of the board of directors is elected or appointed by private interests; temporary employees engaged on construction work at hourly rates; alien employees who occupy positions outside the States; and various other employees are specifically exempt from the provisions of the act.

Effective Date. The changes are effective on January 6, 1952.

The act also repeals the section of the Independent Offices Appropriation Act, 1952, which reduced annual leave to 20 days and prohibited payment for leave accumulated during the Calendar year 1951 and unused on June 30, 1952.



## INDEX AND SUMMARY OF S. 1046

February 2<sup>nd</sup>, 1951 Mr. Murray introduced H. R. 2982 (Similar bill) which was referred to Committee on Post Office and Civil Service. Print of bill as introduced.

March 6, 1951 Mr. Johnston introduced S. 1046 which was read twice and referred to the Committee on Post Office and Civil Service. Print of bill as introduced.

March 20, 1951 Hearings: Senate, on S. 1046, S. 1335 and S. 1369.

June 11, 1951 House Committee reported H. R. 2982 (Similar bill). House Report 547. Print of H. R. 2982 as reported.

July 13, 1951 Minority views on H. R. 2982, House Report 547, Part 2.

August 21, 1951 Senate Committee reported S. 1046, Senate Report 694. Print of bill as reported.

September 6, 1951 Senate began debate on S. 1046.

September 7, 1951 Senate concluded debate and passed S. 1046 with amendments.

September 19, 1951 House considered and passed S. 1046 with language of H. R. 2982 inserted as a substitute amendment.

September 20, 1951 Senate conferees appointed.

September 25, 1951 House conferees appointed.

October 1<sup>st</sup>, 1951 House received conference report.

October 19, 1951 Both Houses agreed to Conference Report. House Report 1210.

October 30, 1951 Approved: Public Law 233











82D CONGRESS  
1ST SESSION

# H. R. 2982

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 28, 1951

Mr. MURRAY of Tennessee introduced the following bill; which was referred to the Committee on Post Office and Civil Service

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## A BILL

To readjust postal rates.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3                               FIRST-CLASS MAIL

4       SECTION 1. (a) The rate of postage on postal cards  
5       (including the cost of their manufacture) and on private  
6       mailing or post cards conforming to the conditions prescribed  
7       by the Act entitled "An Act to amend the postal laws relat-  
8       ing to the use of postal cards", approved May 19, 1898  
9       (U. S. C., title 39, sec. 281), shall be 2 cents each: *Pro-*  
10       *vided*, That the rate on each portion of double postal cards  
11       issued and sold under the provisions of the Act of March 3,

1 1879 (ch. 180, 20 Stat. 362; U. S. C., title 39, sec. 358),  
2 shall be 2 cents.

3 (b) Except as provided in paragraph (a) of this section,  
4 the rate of postage on mail matter of the first class when  
5 mailed for local delivery at post offices where free delivery by  
6 carrier is not established and when the matter is not col-  
7 lected or delivered by rural or star route carriers, shall be 2  
8 cents for each ounce or fraction thereof.

9 SECOND-CLASS MAIL

10 SEC. 2. (a) In the case of publications entered as  
11 second-class matter (including sample copies to the extent  
12 of 10 per centum of the weight of copies mailed to sub-  
13 scribers during the calendar year) when mailed by the pub-  
14 lisher thereof from the post office of publication and entry  
15 or other post office where such entry is authorized, or when  
16 mailed by news agents (registered as such under regulations  
17 prescribed by the Postmaster General) to actual subscribers  
18 thereto or to other news agents for the purpose of sale, the  
19 total postage computed at the pound rates in effect under  
20 existing law and based on the bulk weight of each mailing  
21 shall be increased by 50 per centum, beginning on the first  
22 day of the second quarter beginning after the approval of  
23 this Act and by an increase of 25 per centum, based on the  
24 rates now in force, to take effect each year thereafter over a  
25 period of two years: *Provided*, That publications having over

1 75 per centum advertising in more than one-half of their  
2 issues during any twelve months' period shall not be accepted  
3 for mailing as second-class matter and their entry shall be  
4 revoked.

5 (b) The free-in-county mailing privilege and the rates  
6 of postage on copies of publications of the second class when  
7 addressed for delivery within the county in which they are  
8 published and entered as such shall be the same as authorized  
9 by existing law: *Provided further*, That copies of a publica-  
10 tion mailed at a post office where it is entered, for delivery  
11 by letter carriers at a different post office within the delivery  
12 limits of which the headquarters or general business office of  
13 the publisher is located, shall be chargeable with postage  
14 at the rate that would be applicable if the copies were mailed  
15 at the latter office, unless postage chargeable at the pound  
16 rates from the office of mailing is higher, in which case such  
17 higher rates shall apply.

18 (c) In no case, except where the free-in-county mailing  
19 privilege is applicable, shall the postage on each individually  
20 addressed copy be less than one-eighth of 1 cent.

21 (d) The rate of postage on copies of publications having  
22 second-class entry mailed by others than the publishers or  
23 authorized news agents, sample copies mailed by the publish-  
24 ers in excess of the 10 per centum allowance entitled to be  
25 sent at the pound rates, and copies mailed by the publishers

1 to persons who may not be included in the required legitimate  
2 list of subscribers shall be 2 cents for the first two ounces  
3 and 1 cent for each additional two ounces or fraction thereof,  
4 except when the postage at the rates prescribed for fourth-  
5 class matter is lower, in which case the latter rates shall  
6 apply, computed on each individually addressed copy or pack-  
7 age of unaddressed copies, and not on the bulk weight of  
8 the copies and packages.

9 THIRD-CLASS MAIL

10 SEC. 3. The rate of postage on third-class matter shall  
11 be 2 cents for the first two ounces or fraction thereof, and 1  
12 cent for each additional ounce or fraction thereof up to and  
13 including eight ounces in weight, except that the rate of  
14 postage on books and catalogs of twenty-four pages or more,  
15 seeds, cuttings, bulbs, roots, scions, and plants not exceeding  
16 eight ounces in weight shall be 2 cents for the first two ounces  
17 or fraction thereof and  $1\frac{1}{2}$  cents for each additional two  
18 ounces or fraction thereof: *Provided*, That under such regu-  
19 lations as the Postmaster General may establish for the  
20 collection of the lawful revenue and for facilitating the  
21 handling of such matter in the mails, it shall be lawful to  
22 accept for transmission in the mails, separately addressed  
23 identical pieces of third-class matter in quantities of not less  
24 than twenty pounds, or of not less than two hundred pieces,  
25 subject to pound rates of postage applicable to the entire



1 bulk mailed at one time: *Provided further*, That the rate of  
2 postage on third-class matter mailed in bulk under the fore-  
3 going provision shall be 14 cents for each pound or fraction  
4 thereof with a minimum charge per piece of 2 cents, except  
5 that in the case of books and catalogs of 24 pages or more,  
6 seeds, cuttings, bulbs, roots, scions, and plants the rate shall  
7 be 10 cents for each pound or fraction thereof with a mini-  
8 mum charge per piece of 2 cents.

#### 9 SPECIAL DELIVERY

10 SEC. 4. Mail of any class shall be given the most expedi-  
11 tious handling and transportation practicable and immediate  
12 delivery at the office of address when, in addition to the  
13 regular postage, a special-delivery fee is prepaid thereon by  
14 means of special-delivery stamps or ordinary postage stamps,  
15 or in such other manner as the Postmaster General may  
16 prescribe, in accordance with the following schedule: Matter  
17 weighing not more than two pounds, if of the first class,  
18 23 cents; if of any other class, 35 cents. Matter weighing  
19 more than two but not more than ten pounds, if of the first  
20 class, 35 cents; if of any other class, 45 cents. Matter  
21 weighing more than ten pounds, if of the first class, 50  
22 cents; if of any other class, 60 cents.

#### 23 REGISTERED MAIL

24 SEC. 5. (a) Mail matter shall be registered on the ap-

1 plication of the party posting the same. The registry fees,  
2 which shall be in addition to the regular postage, and the  
3 limits of indemnity therefor within the maximum indemnity  
4 provided by this subsection, shall be as follows:

5 For articles having no intrinsic value and for which  
6 no indemnity is payable, 30 cents;

7 For registry indemnity not exceeding \$5, 40 cents;

8 For registry indemnity exceeding \$5 but not exceeding  
9 \$25, 55 cents;

10 For registry indemnity exceeding \$25 but not exceeding  
11 \$50, 65 cents;

12 For registry indemnity exceeding \$50 but not exceeding  
13 \$75, 75 cents;

14 For registry indemnity exceeding \$75 but not exceeding  
15 \$100, 85 cents;

16 For registry indemnity exceeding \$100 but not exceed-  
17 ing \$200, 95 cents;

18 For registry indemnity exceeding \$200 but not exceed-  
19 ing \$300, \$1.05;

20 For registry indemnity exceeding \$300 but not exceed-  
21 ing \$400, \$1.15;

22 For registry indemnity exceeding \$400 but not exceed-  
23 ing \$500, \$1.25;

24 For registry indemnity exceeding \$500 but not exceed-  
25 ing \$600, \$1.35;

1 For registry indemnity exceeding \$600 but not exceed-  
2 ing \$700, \$1.45;

3 For registry indemnity exceeding \$700 but not exceed-  
4 ing \$800, \$1.55;

5 For registry indemnity exceeding \$800 but not exceed-  
6 ing \$900, \$1.65;

7 For registry indemnity exceeding \$900 but not exceed-  
8 ing \$1,000, \$1.75: *Provided*, That for registered mail hav-  
9 ing a declared value in excess of \$25 a registry fee of not  
10 less than 55 cents shall be paid.

11 (b) For registered mail or insured mail treated as reg-  
12 istered mail having a declared value in excess of the max-  
13 imum indemnity covered by the registry or insurance fee  
14 paid there shall be charged additional fees (known as “sur-  
15 charges”) as follows: When the declared value exceeds the  
16 maximum indemnity covered by the registry or insurance  
17 fee paid by not more than \$50, 2 cents; by more than \$50  
18 but not more than \$100, 3 cents; by more than \$100 but  
19 not more than \$200, 4 cents; by more than \$200 but not  
20 more than \$400, 6 cents; by more than \$400 but not more  
21 than \$600, 7 cents; by more than \$600 but not more than  
22 \$800, 8 cents; by more than \$800 but less than \$1,000,  
23 10 cents; and if the excess of the declared value over the  
24 maximum indemnity covered by the registry or insurance fee  
25 paid is \$1,000 or more, the additional fees for each \$1,000

1 or part of \$1,000 on articles destined to points within the  
2 several zones applicable to fourth-class matter shall be as  
3 follows:

4 For local delivery or for delivery within the first zone,  
5 12 cents;

6 For delivery within the second zone, 14 cents;

7 For delivery within the third zone, 16 cents;

8 For delivery within the fourth zone, 17 cents;

9 For delivery within the fifth or sixth zones, 18 cents;

10 For delivery within the seventh or eighth zones, 19  
11 cents: *Provided*, That for registered mail or insured mail  
12 treated as registered mail of such kind or character that it  
13 may be carried at less than the maximum risk of loss in the  
14 mails, the Postmaster General may prescribe rules for deter-  
15 mining upon what part of the declared value in excess of  
16 the maximum indemnity covered by the registry or insurance  
17 fee paid the additional fees shall be based.

18 RETURN RECEIPTS FOR REGISTERED MAIL

19 SEC. 6. Whenever the sender of any registered mail shall  
20 so request, and upon payment of a fee of 7 cents at the time  
21 of mailing or of 15 cents subsequent to the time of mailing,  
22 a receipt shall be obtained for such registered mail, showing  
23 to whom and when the same was delivered, which receipt  
24 shall be returned to the sender, and be received in the courts  
25 as prima facie evidence of such delivery: *Provided*, That upon



1 payment of the additional sum of 24 cents at the time of  
2 mailing of any such registered mail, a receipt shall be obtained  
3 for such registered mail, showing to whom, when, and the  
4 address where the same was delivered, which receipt shall  
5 be returned to the sender, and be received in the courts as  
6 prima facie evidence of such delivery: *Provided further*, That  
7 no refund shall be made of fees paid for return receipts for  
8 registered mail where the failure to furnish the sender a  
9 return receipt or the equivalent is not due to the fault of the  
10 postal service.

#### 11 FEES FOR INSURED MAIL

12 SEC. 7. The fees for insurance, which shall be in addition  
13 to the regular postage, and the limits of indemnity therefor  
14 within the maximum indemnity provided by this section, shall  
15 be as follows: 5 cents for indemnification not exceeding \$5;  
16 10 cents for indemnification exceeding \$5 but not exceeding  
17 \$10; 15 cents for indemnification exceeding \$10 but not  
18 exceeding \$25; 20 cents for indemnification exceeding \$25  
19 but not exceeding \$50; 30 cents for indemnification exceeding  
20 \$50 but not exceeding \$100; 35 cents for indemnification  
21 exceeding \$100 but not exceeding \$200.

#### 22 RETURN RECEIPTS FOR INSURED MAIL

23 SEC. 8. Whenever the sender of an insured article of  
24 mail on which other than the minimum fee was paid shall  
25 so request, and upon payment of a fee of 7 cents at the time

1 of mailing or of 15 cents subsequent to the time of mailing,  
 2 a receipt shall be obtained for such insured mail, showing  
 3 to whom and when the same was delivered, which receipt  
 4 shall be returned to the sender, and be received in the courts  
 5 as prima facie evidence of such delivery: *Provided*, That  
 6 upon payment of the additional sum of 24 cents at the time  
 7 of mailing of any insured article of mail on which other than  
 8 the minimum fee was paid, a receipt shall be obtained for  
 9 such insured mail, showing to whom, when, and the address  
 10 where the same was delivered, which receipt shall be re-  
 11 turned to the sender, and be received in the courts as prima  
 12 facie evidence of such delivery: *Provided further*, That no  
 13 refund shall be made of fees paid for return receipts for  
 14 insured mail where the failure to furnish the sender a return  
 15 receipt or the equivalent is not due to the fault of the postal  
 16 service.

#### 17 FEES FOR COLLECT-ON-DELIVERY MAIL

18 SEC. 9. The fees for collect-on-delivery service for sealed  
 19 domestic mail matter of any class bearing postage at the  
 20 first-class rate and for domestic third- and fourth-class mail  
 21 matter shall, in addition to the regular postage and any other  
 22 required fees, be as follows: 30 cents for collections and  
 23 indemnity not exceeding \$5; 40 cents for collections and  
 24 indemnity exceeding \$5 but not exceeding \$10; 60 cents  
 25 for collections and indemnity exceeding \$10 but not exceed-

1 ing \$25; 70 cents for collections and indemnity exceeding  
2 \$25 but not exceeding \$50; 80 cents for collections and  
3 indemnity exceeding \$50 but not exceeding \$100; 90 cents  
4 for collections and indemnity exceeding \$100 but not ex-  
5 ceeding \$150; \$1.00 for collections and indemnity exceeding  
6 \$150 but not exceeding \$200.

7 REGISTERED COLLECT-ON-DELIVERY MAIL

8 SEC. 10. (a) The fee for collect-on-delivery service for  
9 registered sealed domestic mail of any class bearing postage  
10 at the first-class rate shall, in addition to the regular postage  
11 and any other required fees, be 80 cents for collections and  
12 indemnity not exceeding \$10; \$1.10 for collections and in-  
13 demnity exceeding \$10 but not exceeding \$50; \$1.20 for  
14 collections and indemnity exceeding \$50 but not exceeding  
15 \$100; \$1.40 for collections and indemnity exceeding \$100  
16 but not exceeding \$200. The maximum amount of charges  
17 collectible on any registered sealed domestic collect-on-  
18 delivery article shall be \$200.

19 (b) When indemnity in excess of \$200 is desired, the  
20 fee for such registered sealed domestic collect-on-delivery  
21 mail shall, in addition to the regular postage and any other  
22 required fees, be \$1.50 for indemnity exceeding \$200 but  
23 not exceeding \$300; \$1.60 for indemnity exceeding \$300  
24 but not exceeding \$400; \$1.70 for indemnity exceeding \$400  
25 but not exceeding \$500; \$1.80 for indemnity exceeding \$500

1 but not exceeding \$600; \$1.90 for indemnity exceeding \$600  
2 but not exceeding \$700; \$2.00 for indemnity exceeding \$700  
3 but not exceeding \$800; \$2.10 for indemnity exceeding \$800  
4 but not exceeding \$1,000.

5 SEC. 11. (a) The Postmaster General is authorized to  
6 prescribe by regulation from time to time the fees which shall  
7 be charged by the postal service—

8 (1) for the registry of mail matter;

9 (2) for the insurance of mail matter, or other  
10 indemnification of senders thereof for articles damaged  
11 or lost;

12 (3) for securing a signed receipt upon the delivery  
13 of registered or insured mail matter and returning such  
14 receipt to sender;

15 (4) for collect-on-delivery service;

16 (5) for special-delivery service;

17 (6) for special-handling service;

18 (7) for the issuance of money orders;

19 (8) for notice to publishers of undeliverable second-  
20 class mail, for notice of change of address, and for notice  
21 to addressee or sender of undeliverable third- or fourth-  
22 class matter, or of undeliverable second-class matter  
23 mailed at the transient rate.

24 (b) Regulations issued by the Postmaster General under  
25 subsection (a) shall, to the extent prescribed therein, super-



1    sede existing laws, regulations, and orders governing the  
2    fees for the services covered thereby.

3        SEC. 12. All existing laws or portions thereof, inconsis-  
4    tent or in conflict with this Act, are hereby amended or  
5    repealed.

6        SEC. 13. This Act shall take effect on the first day of  
7    the third calendar month following the calendar month in  
8    which it is enacted, except the rates herein provided for  
9    second-class mail shall take effect on the first day of the  
10   second quarter beginning after the approval of this Act.

82<sup>ND</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2982

## A BILL

To readjust postal rates.

By Mr. MURRAY of Tennessee

FEBRUARY 28, 1951

Referred to the Committee on Post Office and Civil  
Service







82D CONGRESS  
1ST SESSION

# S. 1046

---

## IN THE SENATE OF THE UNITED STATES

MARCH 6 (legislative day, JANUARY 29), 1951

Mr. JOHNSTON of South Carolina (by request) introduced the following bill;  
which was read twice and referred to the Committee on Post Office and  
Civil Service

---

## A BILL

To readjust postal rates.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3                               FIRST-CLASS MAIL

4       SECTION 1. (a) The rate of postage on postal cards  
5       (including the cost of their manufacture) and on private  
6       mailing or post cards conforming to the conditions pre-  
7       scribed by the Act entitled "An Act to amend the postal  
8       laws relating to the use of postal cards", approved May 19,  
9       1898 (U. S. C., title 39, sec. 281), shall be 2 cents each:  
10      *Provided*, That the rate on each portion of double postal  
11      cards issued and sold under the provisions of the Act of

1 March 3, 1879 (ch. 180, 20 Stat. 362; U. S. C., title 39,  
2 sec. 358), shall be 2 cents.

3 (b) Except as provided in paragraph (a) of this sec-  
4 tion the rate of postage on mail matter of the first class  
5 when mailed for local delivery at post offices where free  
6 delivery by carrier is not established and when the matter  
7 is not collected or delivered by rural or star route carriers,  
8 shall be 2 cents for each ounce or fraction thereof.

9 SECOND-CLASS MAIL

10 SEC. 2. (a) In the case of publications entered as second-  
11 class matter (including sample copies to the extent of 10  
12 per centum of the weight of copies mailed to subscribers  
13 during the calendar year) when mailed by the publisher  
14 thereof from the post office of publication and entry or other  
15 post office where such entry is authorized, or when mailed by  
16 news agents (registered as such under regulations prescribed  
17 by the Postmaster General) to actual subscribers thereto or  
18 to other news agents for the purpose of sale, the total postage  
19 computed at the pound rates in effect under existing law and  
20 based on the bulk weight of each mailing shall be increased  
21 by 50 per centum, beginning on the first day of the second  
22 quarter beginning after the approval of this Act and by an  
23 increase of 25 per centum, based on the rates now in force,  
24 to take effect each year thereafter over a period of two  
25 years: *Provided*, That publications having over 75 per

1 centum advertising in more than one-half of their issues  
2 during any twelve months' period shall not be accepted for  
3 mailing as second-class matter and their entry shall be  
4 revoked.

5 (b) The free-in-county mailing privilege and the rates  
6 of postage on copies of publications of the second class when  
7 addressed for delivery within the county in which they are  
8 published and entered as such shall be the same as authorized  
9 by existing law: *Provided further*, That copies of a publica-  
10 tion mailed at a post office where it is entered, for delivery  
11 by letter carriers at a different post office within the delivery  
12 limits of which the headquarters or general business office of  
13 the publisher is located, shall be chargeable with postage at  
14 the rate that would be applicable if the copies were mailed  
15 at the latter office, unless postage chargeable at the pound  
16 rates from the office of mailing is higher, in which case such  
17 higher rates shall apply.

18 (c) In no case, except where the free-in-county mailing  
19 privilege is applicable, shall the postage on each individually  
20 addressed copy be less than one-eighth of 1 cent.

21 (d) The rate of postage on copies of publications having  
22 second-class entry mailed by others than the publishers or  
23 authorized news agents, sample copies mailed by the pub-  
24 lishers in excess of the 10 per centum allowance entitled to  
25 be sent at the pound rates, and copies mailed by the pub-

1 lishers to persons who may not be included in the required  
2 legitimate list of subscribers, shall be 2 cents for the first two  
3 ounces and 1 cent for each additional two ounces or fraction  
4 thereof, except when the postage at the rates prescribed for  
5 fourth-class matter is lower, in which case the latter rates  
6 shall apply, computed on each individually addressed copy  
7 or package of unaddressed copies, and not on the bulk weight  
8 of the copies and packages.

9 THIRD-CLASS MAIL

10 SEC. 3. The rate of postage on third-class matter shall  
11 be 2 cents for the first two ounces or fraction thereof and  
12 1 cent for each additional ounce or fraction thereof up to  
13 and including eight ounces in weight, except that the rate  
14 of postage on books and catalogs of twenty-four pages or  
15 more, seeds, cuttings, bulbs, roots, scions, and plants not  
16 exceeding eight ounces in weight shall be 2 cents for the  
17 first two ounces or fraction thereof and  $1\frac{1}{2}$  cents for each  
18 additional two ounces or fraction thereof: *Provided*, That  
19 under such regulations as the Postmaster General may estab-  
20 lish for the collection of the lawful revenue and for facilitat-  
21 ing the handling of such matter in the mails, it shall be law-  
22 ful to accept for transmission in the mails, separately ad-  
23 dressed identical pieces of third-class matter in quantities  
24 of not less than twenty pounds, or of not less than two hun-  
25 dred pieces, subject to pound rates of postage applicable to



1 the entire bulk mailed at one time: *Provided further*, That  
2 the rate of postage on third-class matter mailed in bulk under  
3 the foregoing provision shall be 14 cents for each pound or  
4 fraction thereof with a minimum charge per piece of 2 cents,  
5 except that in the case of books and catalogs of twenty-four  
6 pages or more, seeds, cuttings, bulbs, roots, scions, and  
7 plants the rate shall be 10 cents for each pound or fraction  
8 thereof with a minimum charge per piece of 2 cents.

#### 9 SPECIAL DELIVERY

10 . SEC. 4. Mail of any class shall be given the most expe-  
11 ditious handling and transportation practicable and immedi-  
12 ate delivery at the office of address when, in addition to the  
13 regular postage, a special-delivery fee is prepaid thereon by  
14 means of special-delivery stamps or ordinary postage stamps,  
15 or in such other manner as the Postmaster General may pre-  
16 scribe, in accordance with the following schedule: Matter  
17 weighing not more than two pounds, if of the first class, 23  
18 cents; if of any other class, 35 cents. Matter weighing more  
19 than two but not more than ten pounds, if of the first class,  
20 35 cents; if of any other class, 45 cents. Matter weighing  
21 more than ten pounds, if of the first class, 50 cents; if of any  
22 other class, 60 cents.

#### 23 REGISTERED MAIL

24 SEC. 5. (a) Mail matter shall be registered on the ap-  
25 plication of the party posting the same. The registry fees,

1 which shall be in addition to the regular postage, and the  
2 limits of indemnity therefor within the maximum indemnity  
3 provided by this subsection, shall be as follows:

4 For articles having no intrinsic value and for which no  
5 indemnity is payable, 30 cents;

6 For registry indemnity not exceeding \$5, 40 cents;

7 For registry indemnity exceeding \$5 but not exceeding  
8 \$25, 55 cents;

9 For registry indemnity exceeding \$25 but not exceeding  
10 \$50, 65 cents;

11 For registry indemnity exceeding \$50 but not exceeding  
12 \$75, 75 cents;

13 For registry indemnity exceeding \$75 but not exceed-  
14 ing \$100, 85 cents;

15 For registry indemnity exceeding \$100 but not exceed-  
16 ing \$200, 95 cents;

17 For registry indemnity exceeding \$200 but not exceed-  
18 ing \$300, \$1.05;

19 For registry indemnity exceeding \$300 but not exceed-  
20 ing \$400, \$1.15;

21 For registry indemnity exceeding \$400 but not exceed-  
22 ing \$500, \$1.25;

23 For registry indemnity exceeding \$500 but not exceed-  
24 ing \$600, \$1.35;

1 For registry indemnity exceeding \$600 but not exceed-  
2 ing \$700, \$1.45;

3 For registry indemnity exceeding \$700 but not exceed-  
4 ing \$800, \$1.55;

5 For registry indemnity exceeding \$800 but not exceed-  
6 ing \$900, \$1.65;

7 For registry indemnity exceeding \$900 but not exceed-  
8 ing \$1,000, \$1.75: *Provided*, That for registered mail hav-  
9 ing a declared value in excess of \$25 a registry fee of not  
10 less than 55 cents shall be paid.

11 (b) For registered mail or insured mail treated as reg-  
12 istered mail having a declared value in excess of the max-  
13 imum indemnity covered by the registry or insurance fee  
14 paid there shall be charged additional fees (known as “sur-  
15 charges”) as follows: When the declared value exceeds the  
16 maximum indemnity covered by the registry or insurance  
17 fee paid by not more than \$50, 2 cents; by more than \$50  
18 but not more than \$100, 3 cents; by more than \$100 but  
19 not more than \$200, 4 cents; by more than \$200 but not  
20 more than \$400, 6 cents; by more than \$400 but not more  
21 than \$600, 7 cents; by more than \$600 but not more than  
22 \$800, 8 cents; by more than \$800 but less than \$1,000,  
23 10 cents; and if the excess of the declared value over the  
24 maximum indemnity covered by the registry or insurance

1 fee paid is \$1,000 or more, the additional fees for each  
2 \$1,000 or part of \$1,000 on articles destined to points within  
3 the several zones applicable to fourth-class matter shall be  
4 as follows:

5 For local delivery or for delivery within the first zone,  
6 12 cents:

7 For delivery within the second zone, 14 cents;

8 For delivery within the third zone, 16 cents;

9 For delivery within the fourth zone, 17 cents;

10 For delivery within the fifth or sixth zones, 18 cents;

11 For delivery within the seventh or eighth zones, 19  
12 cents: *Provided*, That for registered mail or insured mail  
13 treated as registered mail of such kind or character that  
14 it may be carried at less than the maximum risk of loss in  
15 the mails, the Postmaster General may prescribe rules for  
16 determining upon what part of the declared value in excess  
17 of the maximum indemnity covered by the registry or insur-  
18 ance fee paid the additional fees shall be based.

19 RETURN RECEIPTS FOR REGISTERED MAIL

20 SEC. 6. Whenever the sender of any registered mail shall  
21 so request, and upon payment of a fee of 7 cents at the time  
22 of mailing or of 15 cents subsequent to the time of mailing,  
23 a receipt shall be obtained for such registered mail, showing  
24 to whom and when the same was delivered, which receipt  
25 shall be returned to the sender, and be received in the courts



1 as prima facie evidence of such delivery: *Provided*, That  
2 upon payment of the additional sum of 24 cents at the time  
3 of mailing of any such registered mail, a receipt shall be  
4 obtained for such registered mail, showing to whom, when,  
5 and the address where the same was delivered, which receipt  
6 shall be returned to the sender, and be received in the courts  
7 as prima facie evidence of such delivery: *Provided further*,  
8 That no refund shall be made of fees paid for return receipts  
9 for registered mail where the failure to furnish the sender  
10 a return receipt or the equivalent is not due to the fault of  
11 the postal service.

#### 12 FEES FOR INSURED MAIL

13 SEC. 7. The fees for insurance, which shall be in addi-  
14 tion to the regular postage, and the limits of indemnity there-  
15 for within the maximum indemnity provided by this section,  
16 shall be as follows: 5 cents for indemnification not exceeding  
17 \$5; 10 cents for indemnification exceeding \$5 but not  
18 exceeding \$10; 15 cents for indemnification exceeding \$10  
19 but not exceeding \$25; 20 cents for indemnification exceed-  
20 ing \$25 but not exceeding \$50; 30 cents for indemnification  
21 exceeding \$50 but not exceeding \$100; 35 cents for indem-  
22 nification exceeding \$100 but not exceeding \$200.

#### 23 RETURN RECEIPTS FOR INSURED MAIL

24 SEC. 8. Whenever the sender of an insured article of  
25 mail on which other than the minimum fee was paid shall so

1 request, and upon payment of a fee of 7 cents at the time of  
2 mailing or of 15 cents subsequent to the time of mailing, a  
3 receipt shall be obtained for such insured mail, showing to  
4 whom and when the same was delivered, which receipt shall  
5 be returned to the sender, and be received in the courts as  
6 prima facie evidence of such delivery: *Provided*, That upon  
7 payment of the additional sum of 24 cents at the time of  
8 mailing of any insured article of mail on which other than the  
9 minimum fee was paid, a receipt shall be obtained for such  
10 insured mail, showing to whom, when, and the address where  
11 the same was delivered, which receipt shall be returned to  
12 the sender, and be received in the courts as prima facie evi-  
13 dence of such delivery: *Provided further*, That no refund  
14 shall be made of fees paid for return receipts for insured mail  
15 where the failure to furnish the sender a return receipt or the  
16 equivalent is not due to the fault of the postal service.

17 FEES FOR COLLECT-ON-DELIVERY MAIL

18 SEC. 9. The fees for collect-on-delivery service for sealed  
19 domestic mail matter of any class bearing postage at the  
20 first-class rate and for domestic third- and fourth-class mail  
21 matter shall, in addition to the regular postage and any other  
22 required fees, be as follows: 30 cents for collections and  
23 indemnity not exceeding \$5; 40 cents for collections and  
24 indemnity exceeding \$5 but not exceeding \$10; 60 cents for  
25 collections and indemnity exceeding \$10 but not exceeding

1 \$25; 70 cents for collections and indemnity exceeding \$25  
2 but not exceeding \$50; 80 cents for collections and indemnity  
3 exceeding \$50 but not exceeding \$100; 90 cents for collec-  
4 tions and indemnity exceeding \$100 but not exceeding \$150;  
5 \$1 for collections and indemnity exceeding \$150 but not  
6 exceeding \$200.

7 REGISTERED COLLECT-ON-DELIVERY MAIL

8 SEC. 10. (a) The fee for collect-on-delivery service for  
9 registered sealed domestic mail of any class bearing postage  
10 at the first-class rate shall, in addition to the regular postage  
11 and any other required fees, be 80 cents for collections and  
12 indemnity not exceeding \$10; \$1.10 for collections and in-  
13 demnity exceeding \$10 but not exceeding \$50; \$1.20 for  
14 collections and indemnity exceeding \$50 but not exceeding  
15 \$100; \$1.40 for collections and indemnity exceeding \$100  
16 but not exceeding \$200. The maximum amount of charges  
17 collectible on any registered sealed domestic collect-on-  
18 delivery article shall be \$200.

19 (b) When indemnity in excess of \$200 is desired, the  
20 fee for such registered sealed domestic collect-on-delivery  
21 mail shall, in addition to the regular postage and any other  
22 required fees, be \$1.50 for indemnity exceeding \$200 but not  
23 exceeding \$300; \$1.60 for indemnity exceeding \$300 but  
24 not exceeding \$400; \$1.70 for indemnity exceeding \$400 but  
25 not exceeding \$500; \$1.80 for indemnity exceeding \$500 but

1 not exceeding \$600; \$1.90 for indemnity exceeding \$600 but  
2 not exceeding \$700; \$2 for indemnity exceeding \$700 but  
3 not exceeding \$800; \$2.10 for indemnity exceeding \$800 but  
4 not exceeding \$1,000.

5 SEC. 11. (a) The Postmaster General is authorized to  
6 prescribe by regulation from time to time the fees which shall  
7 be charged by the postal service—

8 (1) for the registry of mail matter;

9 (2) for the insurance of mail matter, or other in-  
10 demnification of senders thereof for articles damaged or  
11 lost;

12 (3) for securing a signed receipt upon the delivery  
13 of registered or insured mail matter and returning such  
14 receipt to sender;

15 (4) for collect-on-delivery service;

16 (5) for special-delivery service;

17 (6) for special-handling service;

18 (7) for the issuance of money orders;

19 (8) for notice to publishers of undeliverable second-  
20 class mail, for notice of change of address, and for notice  
21 to addressee or sender of undeliverable third- or fourth-  
22 class matter, or of undeliverable second-class matter  
23 mailed at the transient rate.

24 (b) Regulations issued by the Postmaster General under  
25 subsection (a) shall, to the extent prescribed therein, super-



1 sede existing laws, regulations, and orders governing the  
2 fees for the services covered thereby.

3 SEC. 12. All existing laws or portions thereof, incon-  
4 sistent or in conflict with this Act, are hereby amended or  
5 repealed.

6 SEC. 13. This Act shall take effect on the first day of  
7 the third calendar month following the calendar month in  
8 which it is enacted, except the rates herein provided for  
9 second-class mail shall take effect on the first day of the  
10 second quarter beginning after the approval of this Act.

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# A BILL

To readjust postal rates.

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By Mr. JOHNSON of South Carolina

MARCH 6 (legislative day, JANUARY 29), 1951

Read twice and referred to the Committee on Post  
Office and Civil Service







## READJUSTMENT OF POSTAL RATES

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JUNE 11, 1951.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. MURRAY of Tennessee, from the Committee on Post Office and Civil Service, submitted the following

### REPORT

[To accompany H. R. 2982]

The Committee on Post Office and Civil Service, to whom was referred the bill (H. R. 2982) to readjust postal rates, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The committee amendment strikes out all after the enacting clause of the introduced bill and inserts in lieu thereof a substitute which appears in the reported bill in italic type.

### STATEMENT

The bill which this report accompanies will raise revenues in postal rates and fees the first year in the amount of \$123,571,000. Two additional increases at the end of the first and second years on second-class mail, each in the amount of \$7,414,800, will make the total annual increase provided in the bill \$138,400,600.

### SUMMARY OF RATE REVISIONS

#### *First-class mail*

The rate increases in first-class mail are increases for Government postal cards and private mailing post cards and drop letters. The present rate on these three items is 1 cent and the proposed rate is 2 cents. There is an additional charge of 10 percent on Government postal cards sold in quantities of 100 or more. There is no increase for first-class letter mail (except drop letters) or air mail.

#### *Second-class mail*

There is no change in the free-in-county privilege presently enjoyed by second-class mail users.

The bill provides the rates will remain the same on the mailings of publications sent within the county of publication, except for a one-eighth cent minimum charge.

A committee amendment provides that the rates remain the same both within and outside the county of publication on publications maintained by and in the interest of nonprofit religious, educational, scientific, philanthropic, agricultural, labor, veteran, or fraternal organizations. There is, however, a minimum charge of one-eighth cent per piece. This minimum charge does not apply where the publication is sent "free in county."

On that portion of publications sent outside the county of publication, a 60-percent increase was approved to be extended in three steps of 20 percent each. The second and third increases of 20 percent will apply 1 and 2 years respectively after the application of the first 20-percent increase.

### *Third-class mail*

The major change in this class of mail is on the minimum rate per piece on bulk mailings which is increased from 1 cent per piece to 1½ cents per piece.

There is a one-half-cent-per-piece increase on individual pieces of books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants not mailed under the bulk mailing provision.

The present \$10 annual fee for the privilege of using bulk mailing rates has been retained.

The minimum charge for pieces of odd size or form is increased from the present rate of 3 cents to 5 cents.

There is no change proposed in the regular per piece rate for third-class mail not mailed in bulk, nor is there any change in the pound rates for bulk mailings of circulars and merchandise or books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants.

### *Books*

The bill provides that books will remain at their present rates, and that there will be no change in the size and weight of parcels of books.

### *Special services*

The committee approved the Postmaster General's recommendations for increases in special delivery, registered mail, insured mail, and collect-on-delivery mail.

The Postmaster General is given authority in the bill to establish henceforth the rates on all special services.

The bill does not deal with fourth-class mail, which consists largely of parcel post and catalogs. The rates on these items are proposed to be raised under a separate action of the Postmaster General with the concurrence of the Interstate Commerce Commission. The Interstate Commerce Commission has already given their concurrence in their decision in Docket No. 30690, dated May 11, 1951. Under this decision, the Postmaster General proposed to increase rates on fourth-class mail by \$105,000,000 annually and parcel post, after the increases, will be paying its own way.

The Postmaster General, on February 28, 1951, recommended increases in postal rates to the Congress in the amount of \$163,734,000 annually. No increases were recommended for fourth-class mail

since the action, referred to above, was already pending before the Interstate Commerce Commission. In addition, the Postmaster General proposed to make increases in the amount of \$2,586,000 for certain items over which he presently has jurisdiction for increases.

The following table sets forth the amounts of the proposed increases recommended by the Postmaster General and those recommended by the committee, and also shows the rates to be raised administratively by the Department:

*Estimated additional revenue based on 1950 volume*

	Proposed by the Post- master General	Recom- mended by the com- mittee
By proposed legislation:		
First-class mail:		
Postal and post cards.....	\$46, 740, 000	\$50, 136, 000
Drop letters.....	1, 375, 000	1, 375, 000
Second-class mail:		
Publishers' pound rate, first year.....	*20, 000, 000	7, 535, 000
Transient.....	789, 000	789, 000
Third-class mail.....	65, 557, 000	34, 763, 000
Special services:		
Registered mail (paid).....	10, 583, 000	10, 583, 000
Insured mail.....	809, 000	809, 000
C. o. d. mail.....	7, 461, 000	7, 461, 000
Special-delivery mail.....	10, 120, 000	10, 120, 000
Total by legislation.....	163, 734, 000	123, 571, 000
By department action:		
Notices to publishers.....	722, 000	
Notices of changes of address, Form 3547.....	1, 109, 000	
Certificate of mailing.....	755, 000	
Total by departmental action.....	2, 586, 000	
Combined total.....	166, 320, 000	
*Additional increases at the end of the first and second years, respectively, on second-class mail.....	20, 000, 000	14, 829, 600
Total under bill.....		138, 400, 600
Rates recommended by the Postmaster General and concurred in by the Interstate Commerce Commission for fourth-class mail as follows:		
Zone rate parcel post.....	90, 299, 431	
Catalogs.....	8, 143, 961	
Books.....	<sup>1</sup> 5, 297, 714	
Library books.....	<sup>1</sup> 167, 488	
Publications not entered as second class over 8 ounces.....	973, 426	
Matters for blind at 1 cent per pound.....	24, 161	
Total fourth class.....	104, 906, 181	

<sup>1</sup> Flat rate as proposed by Postmaster General not concurred in by the ICC. ICC consented to a zone rate. This bill holds books at present rates, size, and weight.

POSTAL DEFICIT

Funds to cover expenditures of the Post Office Department, like that of all other Government agencies, must be appropriated by the Congress. When revenues of the postal service are insufficient to cover the expenditures, funds are withdrawn from the Treasury. These funds, which are secured from general taxation, represent the postal deficit. The operating postal deficit for the fiscal year 1950 approximates \$590,000,000; for the year 1951, \$512,000,000; and it is estimated for the fiscal year 1952, the deficit will be \$521,000,000. The deficit has increased every year since the close of the fiscal year 1945 until 1951. This increase can be attributed directly to increased transportation costs and increased salaries paid to postal employees.



The additional cost of transporting the mail since July 1, 1945, on an annual basis, is \$175,000,000. Increased payments to employees for salaries since 1945, on an annual basis, is \$800,000,000. This represents approximately a billion dollars in additional expenditures in the postal service, while at the same time, postal rates have been increased only approximately \$140,000,000.

#### SERVICES TO OTHER DEPARTMENTS

At the hearings concern was expressed over the fact that the Post Office Department was called upon to provide subsidies to our airline system and free services to Government departments and postal rates might be raised to cover these items. There is no foundation for these fears since both the President and the Postmaster General, in making recommendations for postal rate increases, have made an allowance of approximately \$160,000,000 out of the deficit to cover these costs. On the other hand, services performed by other departments and costs charged in the budget to other departments of the Government have not been considered as deficit items to be met by increased postal rates. These items consist of approximately \$50,000,000 a year, representing the Government's contribution to the retirement system for postal employees, an item which is carried in the budget of the Civil Service Commission. The Post Office Department is provided free space in public buildings, the rental value of which is an estimated \$25,000,000 annually. Reorganization Plan No. 18, effective July 1, 1950, transferred from the Post Office Department to the Public Buildings Service, buildings which were not used more than 50 percent for post-office purposes. The Public Buildings Service is now providing free maintenance service in these buildings for the space used by the Post Office Department.

Under the Financial Control Act of the Post Office Department (Public Law 712, 81st Cong.), the Post Office Department is required to reflect in its official reports the estimated amounts of Government penalty mail, franked mail, airline subsidies, and other costs not properly chargeable to the users of the postal service. The Postmaster General was already reporting these items to the Comptroller General and the Secretary of the Treasury under the terms of the so-called Kelly law, enacted June 9, 1930 (Public Law 316, 71st Cong.). For fiscal year 1950, these items amounted to \$119,960,324.

#### COST ASCERTAINMENT

Much of the data supplied to the committee relative to revenues and expenditures for the postal service were based upon the cost-ascertainment system of the Post Office Department. This system was authorized by the act of February 25, 1925 (U. S. C., title 39, ch. 22, sec. 826), and was placed in operation on an annual basis in the fiscal year 1926. It has been expanded and improved from time to time in line with experience and to reflect changing conditions in the postal service. In periodic and exhaustive independent scrutiny and analysis by professional accounting and statistical organizations through the years the application of the basic cost-ascertainment concepts and techniques have been sustained and the substantial accuracy of the figures established. The Seventy-seventh and Seventy-eighth Con-

gresses each appropriated \$50,000 to employ specialists to review this system, which was generally approved by these specialists. Cost-ascertainment data recently formed the major part of the presentation made by the Post Office Department in support of the Postmaster General's petition for increases in fourth-class postage rates submitted to the Interstate Commerce Commission in accordance with the directive of Congress set forth in Public Law 843, Eighty-first Congress, second session. After intensive study of the cost-ascertainment methods and procedures underlying the case for the Department, and investigation by transportation and cost experts representing both the protestants and the technical staff of the Interstate Commerce Commission, the Commission accepted the cost figures without question and found completely in favor of the Postmaster General's petition.

The data produced by the cost ascertainment system are used regularly in budgetary presentations by the Post Office Department and in connection with the revision of postage rates and fees.

The committee has cited the ratio of costs to revenues, as shown by the cost ascertainment report, in this report as a reliable indication of the ratios of revenues to expenditures in the various classes of mail. The latest cost ascertainment figures cover fiscal year 1950.

The committee emphasizes that the cost ascertainment figures were used only as a guide and that in the categories of mail where the major increases will occur under the terms of this bill, namely, post and postal cards, and second- and third-class mail, there will still remain substantial losses. For example, if the committee were to attempt to meet the deficit in second-class mail as shown by the cost ascertainment figures, the increases proposed would have to be 500 percent instead of the 60 percent recommended.

#### FIRST-CLASS MAIL

First-class mail includes all material wholly or partly in writing whether sealed or unsealed, except manuscript copy accompanying proof sheets or corrected proof sheets of the same and the writing authorized by law to be placed upon matter of other classes. Matter sealed or otherwise closed against inspection is also of the first class.

No increases are provided under the bill for first-class letter mail with the exception of the drop letter. First-class letter mail is the only category of mail which is presently returning sufficient revenue to meet the expenditures for handling. Also, there are no increases provided for air mail. While air mail, under the present system whereby the air-mail subsidy is charged to the Post Office Department is not paying its way, there is reason to believe revenues would approximately meet the expense of handling if the subsidy element were not present. Since, for the purpose of these rate increases the estimated amount of air-mail subsidy was deducted before making rate recommendations, it was the view of the committee, in the absence of any recommendations of the Postmaster General, that air-mail rates need not be increased at this time.

#### *Postal and post cards*

Postal and post cards will be increased from 1 cent to 2 cents. There is an additional increase of 10 percent on Government postal cards sold in quantities of 100 or more. This additional 10 percent



increase is recommended by the committee to cover the cost of manufacture, distribution to post offices of the postal card, and returned damaged cards. This will result in an additional charge of \$2 a thousand for postal cards which it is believed is a comparable charge to that presently being made for Government stamped envelopes which, on the average size envelope, is \$4.72 a thousand.

The Post Office Department estimates that it costs approximately 2.8 cents per piece to handle postal and post cards. More than 90 percent of the nearly 4 billion postal cards are used by utilities and other commercial concerns with a major portion being used for advertising purposes. The Post Office Department estimates that the total loss on Government postal cards and private mailing post cards exceeds \$70,000,000 a year. The increases recommended in the bill will reduce this loss by approximately \$50,000,000.

### *Drop letters*

Drop letters are those mailed for local delivery at post offices where free delivery by carrier is not established and when they are not collected or delivered by rural or star-route carrier. The rate on these letters is presently 1 cent for each ounce or fraction thereof. Under the bill they will be increased to 2 cents for each ounce or fraction thereof. This first-class rate on drop letters should be raised so that it will not be lower than the rate for postal or post cards nor less than the minimum for circulars and other third-class matter which rates the committee is recommending be raised in this bill.

### SECOND-CLASS MAIL

Second-class mail comprises the periodical publications, newspapers, and magazines, most of which are mailed in bulk by the publishers at pound rates. For many years the postal service has incurred its greatest loss on second-class mail. This year the loss in second-class mail is estimated by the Post Office Department at nearly \$200,000,000. The volume of this mail has grown to be very great, accounting for 19.26 percent of the total weight of all mail and 15.45 percent of the pieces while contributing only about 2.45 percent of the postal revenue.

Under the committee amendment, there will be no increases on the mailings of publications sent within the county of publication. The free-in-county privilege, which means that publications are sent free within the county of publication from post offices where there is no city letter-carrier service, is continued under the bill.

A committee amendment provides that the rates remain the same both within and outside the county of publication on publications maintained by and in the interest of nonprofit religious, educational, scientific, philanthropic, agricultural, labor, veteran, or fraternal organizations. There is, however, a minimum charge of one-eighth cent per piece. This minimum charge does not apply where the publication is sent free-in-county.

The Postmaster General recommended that the second-class mail rates be increased by 100 percent on that portion sent outside the county of publication, providing for a 50-percent increase the first year and 25 percent additional increases in each of the two succeeding years. After extensive hearings, the committee recommends an increase of 60 percent on that portion sent outside the county of publica-

tion to take place in three step increases, the first increase of 20 percent to take effect the first day of the second quarter beginning after the approval of the act and the second and third increases of 20 percent each to begin 1 and 2 years thereafter, respectively.

Transient second-class mail is increased by 1 cent per piece. The present rate is 1 cent for each 2 ounces and the proposed rate is 2 cents for the first 2 ounces and 1 cent for each additional 2 ounces.

The following chart shows the present rates and the rates as proposed by the committee amendment:

WITHIN COUNTY OF PUBLICATION

	Present rate	Proposed by committee
Local delivery:		
Non-letter-carrier office.....	Free.....	Free.
Letter-carrier office:		
Weekly publication, by city carrier.....	1 cent per pound.....	No change. <sup>1</sup>
Publications issued more frequently than weekly, by city carrier.	1 cent per copy.....	No change
Publications issued less frequently than weekly, by city carrier.	1 cent per copy, not over 2 ounces; 2 cents per copy, over 2 ounces.	Do.
For delivery by other than city carrier....	1 cent per pound.....	No change. <sup>1</sup>
Other than local delivery within county:		
For delivery at offices not having city carriers.	Free.....	Free.
For delivery at offices having city carriers....	1 cent per pound.....	No change. <sup>1</sup>

OUTSIDE COUNTY OF PUBLICATION

Reading portion.....	1½ cents per pound.....	60 percent increase in 3 steps of 20 percent each. <sup>1</sup>
Advertising portion:		
Zones 1 and 2.....	do.....	
Zone 3.....	2 cents per pound.....	
Zone 4.....	3 cents per pound.....	
Zone 5.....	4 cents per pound.....	
Zone 6.....	5 cents per pound.....	
Zone 7.....	6 cents per pound.....	
Zone 8.....	7 cents per pound.....	No change. <sup>1</sup>
Publications having 5 percent or less advertising.	1½ cents per pound.....	
Publications of nonprint, religious, educational, scientific, philanthropic, agricultural, veteran, labor, or fraternal organizations or associations.	do.....	
Transient rates: Newspapers and other periodical publications mailed by public and by publishers to nonsubscribers.	1 cent for each 2 ounces or fraction thereof or the fourth-class rate, whichever is lower.	2 cents for the first 2 ounces and 1 cent for each additional 2 ounces or fraction thereof, or the fourth-class rate, whichever is lower.

<sup>1</sup> Minimum postage ½ cent per copy, except on free county matter.

Data for publishers' domestic second-class mail for the fiscal year 1950 are as follows:

Pieces.....	6, 162, 849, 787
Weight..... pounds.....	2, 250, 643, 881
Average weight per piece..... ounces.....	5. 84313
Expenditures.....	\$232, 691, 373.
Revenues.....	41, 391, 655
Excess of expenditures.....	191, 299, 718

THIRD-CLASS MAIL

Third-class mail includes miscellaneous printed matter, books, catalogs, merchandise, seeds, cuttings, bulbs, roots, and plants. The limit of weight in this class is 8 ounces. A very large part of the

third-class mail consists of circulars. The volume, revenue and expense in 1950 were:

Pounds-----	646, 197, 757
Pieces-----	10, 342, 921, 097
Expense-----	\$289, 618, 283
Revenue-----	153, 745, 942
Excess of expenditures-----	135, 872, 341

Under the committee amendment, there will be no increases in the regular per piece rate for circulars, merchandise, printed matter, etc., weighing 8 ounces or less. The present rate is 2 cents for the first 2 ounces plus 1 cent for each additional ounce. This rate was last increased January 1, 1949.

There is an increase of one-half cent per piece in the rate on books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants. The present rate is 1½ cents for each two ounces and the recommended rate is 2 cents for the first 2 ounces plus 1½ cents for each additional 2 ounces.

The bill continues the provision that special rates will be granted for bulk mailings (20 pounds or 200 identical pieces) of third-class mail sent under such regulations as the Postmaster General may prescribe for this class of mail under the special rates. Under the Postmaster General's proposal, while the bulk mailing privilege was retained, the minimum rate of 2 cents, which is the same as the rate for similar matter sent as regular third-class mail, might have eliminated a major portion of this mail and, in the opinion of the committee, would have had a great effect on the value of the mailer sorting this mail before presenting it to the post office. The committee amendment sets the minimum rate on third-class bulk mail at 1½ cents. This allows a one-half-cent margin from the regular third-class rate which would be, in the opinion of the committee, adequate compensation to the mailer for facing, sorting, and packaging the mail prior to presenting it to the post office.

There is no change in the pound rates for such bulk mailings. These pound rates were last changed January 1, 1949. There has, however, not been any increase in the present minimum rate per piece (the rate increase in the bill) since this particular class of mail was first established in 1928. In the opinion of the committee, the 50 percent increase over the 1928 rate is a moderate and fair increase.

The committee amendment retains the present \$10 annual fee for the privilege of mailing at the bulk rates.

The committee amendment increases the rate charged for odd-sized articles which cannot be readily faced and the stamps canceled from the present rate of 3 cents to 5 cents.



A comparison of the present and proposed rates for third-class mail is shown in the following table:

	Present rate	Proposed by committee
<b>THIRD CLASS</b>		
Regular per piece rate (circulars, miscellaneous printed matter and merchandise).	2 cents for first 2 ounces plus 1 cent for each additional ounce.	No change.
Special per piece rate (books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants).	1½ cents for each 2 ounces.....	2 cents for first 2 ounces plus 1½ cents for each additional 2 ounces.
<b>BULK MAILINGS</b>		
20 pounds or 200 identical pieces—calendar year fee for privilege of mailing at bulk rates.	\$10.....	No change.
Rates:		
Circulars, miscellaneous printed matter and merchandise.	14 cents per pound; minimum 1 cent per piece.	14 cents per pound; minimum 1½ cents per piece.
Books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants.	10 cents per pound; minimum of 1 cent per piece.	10 cents per pound; minimum 1½ cents per piece.
Pieces of odd size or form.....	Minimum charge of 3 cents each.	Minimum charge of 5 cents each.

### BOOKS

The committee amendment provides that the rate, size, and weight of books and library books will remain the same as they are under present law and that they will not be changed unless such change be approved by Congress.

Books are fourth-class mail and the Postmaster General proposed to the Interstate Commerce Commission that the rates on books be increased along with the rates on parcel post and catalogs, which he proposed in the proceedings before the Interstate Commerce Commission, Docket No. 30690. The committee did not hear any testimony with regard to any matter relating to fourth-class mail since those proceedings had been instituted before the Interstate Commerce Commission by the direction of Congress in Public Law 843, Eighty-first Congress.

The Postmaster General had proposed to the Interstate Commerce Commission that the rates on books be increased but that on parcels of books under 10 pounds, the rate be a flat rate. In its decision the Interstate Commerce Commission, on May 11, 1951, consented to a zone rate for books. The placing of books under zone rates would, in the opinion of the committee, create an undue hardship to an industry which has been established based upon a flat rate. It would also discriminate against areas in the country which do not have book publishers. The publishing of books, together with their printing and binding, is an industry which is concentrated largely in one section of the country and in order not to discriminate against readers in other sections of the country, books have been accorded a flat rate since 1938.

The committee, in addition, points out that there have been substantial increases in book rates while there have not been comparable increases in the rates of other publications such as magazines and newspapers. Prior to October 31, 1938, books were sent at the regular

parcel-post rate. Effective November 1, 1938, by a proclamation of the President of the United States, a book rate was established at 1.5 cents per pound. This rate was continued in effect until June 30, 1942. By acts of Congress, the rate level was increased to 3 cents for each pound, effective July 1, 1942; by 3 percent with a minimum of 1 cent per parcel effective March 26, 1944; and effective January 1, 1949, to the present time, the rate was increased to 8 cents for the first pound and 4 cents for each additional pound. In the opinion of the committee, books, having been increased from 1½ cents a pound in 1938 to 8 cents for the first pound and 4 cents for each additional pound at the present time, have had such increases that an additional increase at this time is not warranted.

#### SPECIAL SERVICES

The committee approved the Postmaster General's recommendations for increases in special services. Under the terms of the Postmaster General's recommendations, the increase in special services will amount to approximately \$29,000,000 a year as follows:

Registered mail (paid).....	\$10, 583, 000
Insured mail.....	809, 000
C. o. d. mail.....	7, 461, 000
Special delivery mail.....	10, 120, 000
Total.....	28, 973, 000

Under these increases it is estimated that the special services which are increased will approximately pay their own way. No increases are provided for the special handling of fourth-class (parcel post) mail. There are no increases in the fees proposed for money-orders since on July 1 of this year an entirely new money-order system will be placed into effect. This new system will utilize new electrical punching and sorting equipment and considerably simplify the accounting procedures. The Postmaster General estimates that substantial savings will be experienced by the Department in the handling of money orders and that fees can better be adjusted after it has been determined the effect of the revised procedures on the revenues from and expenditures for handling money orders.

The following chart shows the present rates and increases as proposed for the special services:

#### *Special delivery*

	Present rate	Proposed rate
	<i>Cents</i>	<i>Cents</i>
First-class matter:		
Up to 2 pounds.....	15	23
Over 2, to 10 pounds.....	25	35
Over 10 pounds.....	35	50
Second-, third-, and fourth-class matter:		
Up to 2 pounds.....	25	35
Over 2, to 10 pounds.....	35	45
Over 10 pounds.....	45	60



*Domestic registered, insured, and c. o. d. mail*

	Present fees	Proposed fees
Fees for domestic registered mail (first-, second-, and third-class matter, and sealed fourth-class matter on which postage at the first-class rate has been paid):		
Articles having no intrinsic value and for which no indemnity is payable—	\$0. 25	\$0.30
Indemnity limit:		
\$0.01 to \$5.....	. 25	. 40
\$5.01 to \$25.....	. 35	. 55
\$25.01 to \$50.....	. 40	. 65
\$50.01 to \$75.....	. 45	. 75
\$75.01 to \$100.....	. 50	. 85
\$100.01 to \$200.....	. 60	. 95
\$200.01 to \$300.....	. 70	1.05
\$300.01 to \$400.....	. 85	1.15
\$400.01 to \$500.....	1.00	1.25
\$500.01 to \$600.....	1.10	1.35
\$600.01 to \$700.....	1.20	1.45
\$700.01 to \$800.....	1.30	1.55
\$800.01 to \$900.....	1.40	1.65
\$900.01 to \$1,000.....	1.50	1.75
For registered mail having a declared value in excess of \$25, registered fee of not less than.....	(1)	. 55
For registered mail having a declared value in excess of the maximum indemnity covered by the registry fee paid there shall be charged additional fees (sur-charges) as follows:		
When the declared value exceeds the maximum indemnity covered by the registry fee paid—		
By not more than \$50.....	.02	No change
By more than \$50 but not more than \$100.....	.03	No change
By more than \$100 but not more than \$200.....	.04	No change
By more than \$200 but not more than \$400.....	.06	No change
By more than \$400 but not more than \$600.....	.07	No change
By more than \$600 but not more than \$800.....	.08	No change
By more than \$800 but less than \$1,000.....	.10	No change
If the excess of the declared value over the maximum indemnity covered by the registry fee paid is \$1,000 or more, the additional fees for each \$1,000 or part of \$1,000 on articles destined to points within the several zones applicable to fourth-class matter shall be as follows:		
For local delivery or for delivery within the first zone.....	.11	.12
For delivery within the second zone.....	.12	.14
For delivery within the third zone.....	.14	.16
For delivery within the fourth zone.....	.15	.17
For delivery within the fifth or sixth zone.....	.16	.18
For delivery within the seventh or eighth zone.....	.18	.19
Fees for domestic insured mail (third- and fourth-class matter):		
Indemnity limit:		
\$0.01 to \$5.....	.05	.05
\$5.01 to \$10.....	.10	.10
\$10.01 to \$25.....	.15	.15
\$25.01 to \$50.....	.20	.20
\$50.01 to \$100.....	.25	.30
\$100.01 to \$200.....	.30	.35
Fees for domestic c. o. d. mail, unregistered (third- and fourth-class matter and sealed domestic mail matter of any class bearing postage at the first-class rate):		
Indemnity limit:		
\$0.01 to \$2.50.....	.20	} .30
\$2.51 to \$5.....	.25	
\$5.01 to \$25.....	.35	{ 2.40 3.60
\$25.01 to \$50.....	.45	
\$50.01 to \$100.....	.55	.70
\$100.01 to \$150.....	.60	.80
\$150.01 to \$200.....	.65	.90
		1.00
For insured mail treated as registered mail having a declared value in excess of the maximum indemnity covered by the insurance fee paid there shall be charged additional fees (surecharges) as follows:		
When the declared value exceeds the maximum indemnity covered by the insurance fee paid:		
By not more than \$50.....	.01	.02
By more than \$50 but not more than \$100.....	.02	.03
By more than \$100 but not more than \$200.....	.03	.04
By more than \$200 but not more than \$400.....	.04	.06
By more than \$400 but not more than \$600.....	.05	.07
By more than \$600 but not more than \$800.....	.06	.08
By more than \$800 but less than \$1,000.....	.07	.10

<sup>1</sup> No minimum charge.

<sup>2</sup> \$5.01 to \$10.00

<sup>3</sup> \$10.01 to \$25.00.

*Domestic registered, insured, and c. o. d. mail—Continued*

	Present fees	Proposed fees
If the excess of the declared value over the maximum indemnity covered by the insurance fee paid is \$1,000 or more, the additional fees for each \$1,000 or part of \$1,000 on articles destined to points within the several zones applicable to fourth-class matter shall be as follows:		
For local delivery or for delivery within the first zone.....	\$0.08	\$0.12
For delivery within the second zone.....	.09	.14
For delivery within the third zone.....	.10	.16
For delivery within the fourth zone.....	.11	.17
For delivery within the fifth or sixth zones.....	.12	.18
For delivery within the seventh or eighth zones.....	.13	.19
Fees for domestic registered c. o. d. mail (scaled domestic mail of any class bearing postage at the first-class rate):		
Amount collectible and indemnity payable:		
\$0.01 to \$10.....	.55	.80
\$10.01 to \$50.....	.70	1.10
\$50.01 to \$100.....	.90	1.20
\$100.01 to \$200 (limit of collections).....	1.15	1.40
When indemnity in excess of \$200 is desired, the fees for domestic registered collect-on-delivery mail are—		
Indemnity limit:		
\$200.01 to \$300.....	1.20	1.50
\$300.01 to \$400.....	1.25	1.60
\$400.01 to \$500.....	1.30	1.70
\$500.01 to \$600.....	1.35	1.80
\$600.01 to \$700.....	1.40	1.90
\$700.01 to \$800.....	1.45	2.00
\$800.01 to \$1,000.....	1.55	2.10
Return receipts for registered or insured (except minimum fee insured) mail:		
Requested at time of mailing.....	.05	.07
Requested subsequent to time of mailing.....	.10	.15
Requested at time of mailing to show address of delivery.....	.31	.31

Section 11 of the bill as reported, authorizes the Postmaster General to henceforth prescribe by regulations the fees which shall be charged for the following special services:

- (1) For the registry of mail matter;
- (2) For the insurance of mail matter, or other indemnification of senders thereof for articles damaged or lost;
- (3) For securing a signed receipt upon the delivery of registered or insured mail matter and returning such receipt to sender;
- (4) For collect-on-delivery service;
- (5) For special-delivery service;
- (6) For special-handling service;
- (7) For the issuance of money orders;
- (8) For notice to publishers of undeliverable second-class mail, for notice of change of address, and for notice to addressee or sender of undeliverable third- or fourth-class matter, or of undeliverable second-class matter mailed at the transient rate.

This is a recommendation of the Hoover Commission and one which was approved both by the committee and the House last Congress. It is the view of the committee that these special services are of such an individual nature that fees should be established which would cause them to approximately pay their own way.

## EFFECTIVE DATE

The rates proposed in this bill are to take effect on the first day of the third calendar month following the month in which it is enacted except for the rates on second-class mail. The rates on second-class mail shall take effect on the first day of the second quarter beginning after the approval of this legislation.

The following is a special message of the President of the United States to the Congress covering his views on the need for increases in postal rates:

FEBRUARY 27, 1951.

*To the Congress of the United States:*

For the last several years, the United States postal service has been incurring very large deficits. The rapidly rising costs of delivering the mail have been substantially larger than the postage revenues received. The deficits have had to be made up by general tax revenues—or, to put it bluntly, the general taxpayer has been giving large subsidies to certain users of the postal system.

In the fiscal year 1952, the postal revenues are expected to be about \$1,-\$40,000,000. Postal expenditures, at present cost levels, are expected to be about \$2,361,000,000, leaving a deficit of about \$521,000,000. This deficit may be larger if the Interstate Commerce Commission and the Civil Aeronautics Board raise transportation rates for carrying mail, as they have been requested to do by the railroads and airlines, or if other cost increases occur.

A postal deficit of more than one-half billion dollars is obviously unsound, especially at a time when every effort must be made to reduce the size of the Federal budget. The taxpayers of this country are faced with an unavoidably large burden in financing our defense program. It is unreasonable and unfair that they should also have to pay for postal costs which should be borne by those who receive the direct benefits of postal service.

At present, all major types of postal service, except first-class mail, are operated at a loss. Losses are especially heavy for second-class mail (newspapers and magazines) and third-class mail (mainly circulars and advertising matter). Together, these two classes of mail account for over \$300,000,000 of the anticipated deficit.

The large deficits being incurred in postal operations result primarily from postwar cost increases. The largest part of postal expenses is accounted for by the salaries of postal workers and the costs of transporting mail. These personnel and transportation costs are about 96 percent of all postal expenses.

During the past 5 years these costs have risen sharply. The salary increases for postal employees enacted in 1945, 1948, and 1949 have added approximately \$800,000,000 to annual costs. The cost of transporting mail by rail and by air has risen, since July 1, 1945, by about \$175,000,000 on an annual basis. Including increased rentals and equipment and supply costs, the annual cost of operating the postal system is now more than \$1,000,000,000 higher than it was in 1945—more than a 100-percent increase in 5 years.

These increased costs obviously could not have been avoided. Postal employees should receive fair salaries. The railroads and airlines are entitled to fair compensation for carrying the mail.

To some extent, the effect of higher salary and transportation rates has been offset by increased output per man-hour worked. Since the end of World War II, the productivity of postal employees per man-hour has increased by more than 10 percent—which compares favorably with the record of private industry over the same period.

The Post Office is constantly working to improve the efficiency of postal operations. The Post Office Department has been considerably reorganized. Simplified accounting methods are being instituted. A stream-lined money-order system will shortly be established. Some services have been cut down or eliminated. Research on new and better methods for sorting and handling mail is going forward all the time.

But the plain fact is that no possible increase in efficiency could absorb the extremely large cost increases that have taken place. In spite of the increase in productivity per man-hour since 1945, the average cost of each postal transaction has increased by nearly 60 percent. During the same period, the average revenue from each transaction has increased by only 5½ percent.

Under these circumstances, it is clearly necessary to increase postal rates in order to reduce the postal deficit.

Accordingly, I recommend, as I have recommended a number of times over the past several years, that the Congress increase postal rates sufficiently to wipe out the bulk of the present postal deficit, which should not be borne by the general taxpayer.

The deficit should not be eliminated completely. Some postal costs are incurred to carry mail sent on official business by the legislative, executive, and judicial branches of Government. The airline subsidies—the amounts paid to the airlines over and above the cost of carrying air mail—are also charged to the Post Office.



These, and a few other special expenses, amounting in all to about \$160,000,000, are incurred for general purposes of the Federal Government, and it is only reasonable that we should pay for them as we pay for other Federal expenditures, through Federal taxes.

The bulk of the deficit, however—estimated in fiscal year 1952 at \$361,000,000—is incurred in the course of providing postal service to users other than the Federal Government. There is no good reason for taxing our people to pay these costs. Postal rates should be raised enough to cover them.

Increasing postal rates presents many complex problems of detail, since our system of postal rates has been built rather haphazardly over the years. In the light of current conditions, it contains many deeply ingrained inequities and special privileges. The committees of Congress who are responsible for determining most postal rates will, of course, want to consider carefully the specific rates for each class of mail and type of service. The Postmaster General is prepared to present a number of suggestions for raising postal rates to more reasonable levels. I wish to emphasize here a few of the major considerations which seem to me important in raising rates.

1. First-class mail (ordinary letters and cards) in total more than pays its way at the present time. Postal and post cards, however, do not. Consequently, the only major change in first-class-mail rates I believe to be warranted at this time is in the rate of such cards. These cards were authorized by the Congress in 1872 at a rate of 1 cent each. The same low rate prevails today. This year more than 4,000,000,000 postal cards will be handled through the mails—over 90 percent of them used for commercial and advertising purposes. The cost of handling each card is 2.8 cents, while the revenue is 1 cent. I believe this rate should be raised to 2 cents, which would bring in, on the present volume, about \$47,000,000 of additional revenue.

2. Major changes are needed in postal rates for second-class mail (newspapers and magazines). In the fiscal year 1952, more than 6,000,000,000 individually addressed newspapers and magazines are expected to be carried, at a cost of about \$242,000,000. But the postage paid will be only about \$42,000,000. Thus the newspaper and magazine publishers will have \$200,000,000—or 80 percent—of their postal costs paid for them by the general public.

Newspapers and magazines are now carried for 1½ cents a pound, without regard to distance, for the reading matter they contain, and a graduated rate for the advertising matter in them, rising from 1½ cents a pound, for distances up to 150 miles, to 7 cents a pound, for distances over 1,800 miles. These rates were intentionally set low, when they were established, in order to encourage the spread of information and education among our citizens. This is still a desirable objective, but clearly does not warrant a subsidy as extreme as that which now exists.

For example, the popular, digest-type magazines, which carry no advertising, are sent by mail throughout the country at the rate of 1½ cents per pound. Since, on the average, three copies of this type of magazine weigh 1 pound, the postage works out to about one-half cent per copy transported anywhere in the United States. (It costs more to handle a copy of such a magazine than it does to handle an ordinary letter, for which a person pays 3 cents—six times as much postage.) It seems ridiculous for the taxpayers to be paying postage bills for magazines like these, which can well afford to pay their own way. Increasing the postage on such magazines obviously would not detract measurably from the purpose of spreading information and education among our citizens.

The large-circulation magazines which carry many pages of advertising pay a somewhat higher rate of postage, but one which is still only a small fraction of what it costs the postal service to handle these magazines. This means that, in plain fact, under present postal rates, the general taxpayers are generously subsidizing the advertisers, who are able to send their advertising into the homes of our people at less than cost. There seems to be no excuse whatever for the general taxpayers to subsidize advertisers. Surely advertising was not part of the public information and education which the Congress intended to subsidize 70 years ago when it established second-class mail.

These excessive subsidies for newspapers and magazines are not only wrong, they are seriously inequitable. Books, which are surely as important as newspapers and magazines in disseminating information, and mail-order catalogs, which carry advertising generally similar to that in newspapers and magazines, are classified as fourth-class mail. Under the recommended rates, there will be little, if any, subsidy in carrying these publications—a startling discrimination in comparison to the situation on second-class mail.

Newspaper and magazine publishers have substantially increased their subscription and advertising rates in recent years—in many cases doubling or tripling

these rates. Second-class-postage rates, on the other hand, are close to the average level of 1879, when this class of mail was first established. Publishers who charge prices geared to present-day costs cannot reasonably expect to pay postage at rate levels 70 years old.

For these reasons I believe it is imperative now to increase second-class-mail rates. If these rates are doubled—which is the least that should be done—this would bring in only about \$40,000,000, and the general taxpayers would still be subsidizing second-class mail to the extent of more than 60 percent of its postal costs.

As a matter of long-term policy, second-class mail should be brought gradually toward self-sufficiency in postal revenues. The immediate recommendations for rate increases which the Postmaster General will make should be regarded as only the first step. Further changes should include adjustments in the basic structure, as well as in the level, of second-class rates. Accordingly, I am asking the Postmaster General to review the second-class-rate structure thoroughly, looking toward later consideration by the Congress.

3. More than 10,000,000,000 pieces of third-class mail (mostly circulars and advertising matter) are anticipated in fiscal year 1952. The costs of carrying this mail are now estimated to be about \$271,000,000. Third-class postal revenues, however, are expected to be about \$148,000,000, leaving an estimated deficit of about \$123,000,000.

The circulars and advertising matter which make up most of third-class mail are usually mailed in bulk at 1 cent for each piece. It costs nearly as much, of course, to handle a piece of this mail as it does to handle a first-class letter which has a 3-cent rate. I believe the minimum rate should be increased from 1 to 2 cents, which would increase revenue by about \$66,000,000, and cut the deficit on this class of mail by more than half.

4. The postal rates on fourth-class mail (parcel post) can be changed either by action of the Congress, or by action of the Interstate Commerce Commission approving changes proposed by the Postmaster General. Last year the Congress instructed the Postmaster General to seek the consent of the Commission for rate increases sufficient to make this class of mail pay its way. This he has done, and increases are now being considered by the Commission which would bring in an additional \$105,000,000 in revenue, more than enough to cover the fourth-class deficit.

5. In addition to carrying the four classes of mail, the Post Office provides certain special services. The major services for which fees are charged—registry, insurance, c. o. d. mail, and special delivery—are being operated at a loss, estimated at about \$29,000,000 in fiscal year 1952.

I believe that the fees for these services should be increased by enough to eliminate the deficit in this portion of the postal operation. Furthermore, I believe the Postmaster General should be given authority to revise these fees from time to time in order to keep them in line with costs. Such authority was included in a bill passed by the House of Representatives last year.

These various suggestions, together with certain less-important changes, will, if enacted by the Congress, wipe out the bulk of the postal deficit. Some deficit will remain, above the amount that is properly chargeable to the general taxpayers. The amount of this remaining deficit is not certain now, in view of the possibility of higher transportation rates and other cost increases. Consequently, I am not now recommending all the rate increases that should be enacted to put the Post Office on a self-sufficient basis. However, as soon as the outlook on future costs is more clear, the Postmaster General will submit to the Congress such further recommendations for rate increases as may then be necessary to reduce the deficit to a proper level.

I strongly urge the Congress to correct the present unsound condition of the postal revenues. This is a time of emergency, when we must raise taxes on everyone to meet the heavy costs of stronger military defenses. Now, more than ever, it is wrong to ask the taxpayer to bear costs which should be borne by users of the mail service—users many of whom have enjoyed large special privileges in the form of low, subsidized postal rates.

The Federal budget I submitted to the Congress in January was based on the assumption that the postal deficit would be reduced from over \$500,000,000 to about \$160,000,000—the amount which is properly chargeable to the general taxpayer. My tax recommendations were likewise based on this assumption. To the extent that postal rates are not raised enough to meet that objective, even higher taxes will be needed to balance the budget.

HARRY S. TRUMAN.

THE WHITE HOUSE, February 27, 1951.



Following is the letter of the Postmaster General transmitting the rates contained in H. R. 2982, as introduced.

POST OFFICE DEPARTMENT,  
Washington 25, D. C., February 28, 1951.

Hon. SAM RAYBURN,  
*Speaker of the House of Representatives.*

DEAR MR. SPEAKER: The President, in transmitting his recommendations to the Congress on January 15, 1951, for the budget of the United States Government for the fiscal year ending June 30, 1952, and in his recent special message, called attention to the large postal deficits amounting to more than one-half billion dollars annually, and repeated his many previous recommendations for postal-rate legislation in order to bring postal revenues in line with present operation costs, which have increased by nearly 60 percent since 1945 due to postal employees pay raises and transportation rate increases without adequate increases in postage rates during the same period.

The President referred to the many steps taken by the Post Office Department to reduce the cost of postal operations and pointed out that the total potential savings from such measures to effect economy and improve efficiency are relatively small in relation to the present size of the postal deficit, which he stated would be unsound at any time but is especially untimely in a period when the Federal budget must sustain extremely heavy defense expenditures. He therefore strongly urged the enactment of such rate legislation as will reduce the deficit to an amount representing the costs of handling Government penalty and franked mail and other costs not properly chargeable to the general users of the postal service.

Although a partial revision of postage rates and fees was authorized by the act of Congress approved July 3, 1948, effective January 1, 1949, the additional revenue resulting therefrom was more than offset by the increases in postal employees' pay provided by the same act. In view of this and the fact that the recurring enormous annual deficits create an unsound financial condition, the Department submitted to the Congress on February 21, 1949, schedules and recommendations for further postal rate revision estimated to raise approximately \$253,000,000. These were embodied in bills H. R. 2945 and S. 1103 and extended hearings thereon were held in 1949 and 1950 by the Post Office and Civil Service Committees of the House and Senate. H. R. 2945 was amended to produce about \$130,000,000 revenue a year and was passed by the House of Representatives on February 9, 1950. The Senate Post Office Committee recalled its bill, S. 1103, and took up H. R. 2945 instead but after holding hearings on the latter in April, May, and June 1950, failed to report the bill and consequently no postal-rate legislation was enacted by the Eighty-first Congress.

The only action taken by the last Congress with respect to postal rate revision was to include in the act making supplemental appropriations for the fiscal year ending June 30, 1951, Public Law 843, approved September 27, 1950, a provision prohibiting the Postmaster General from withdrawing from the Treasury any of the funds appropriated to the Post Office Department from the general fund of the Treasury until he shall certify in writing that he has requested the consent of the Interstate Commerce Commission to the establishment of such rate increases or other reformatations pursuant to the provisions of section 207 of the act of February 28, 1925, as amended (39 U. S. C. 247), as may be necessary to insure the receipt of revenue from fourth-class mail service sufficient to pay the cost of such service. In compliance with this directive of the Congress the consent of the Interstate Commerce Commission was requested on October 13, 1950, to the establishment of rate increases on fourth-class (parcel post) mail designed to produce \$105,000,000 on an annual basis and assure the receipt of revenue from such service sufficient to pay its cost. Hearings on the Department's request were begun by the Commission on December 5 and concluded on January 26, 1951. All parties interested in the proceeding have been given until March 26, 1951, to submit briefs covering the matter.

If the Interstate Commerce Commission consents to the fourth-class rate increases as requested, the postal revenues will still fall far short of covering the constantly rising cost of operating the postal service. In fact the deficit, estimated at \$521,374,000 for the fiscal year 1952, will exceed \$416,000,000 after realizing the \$105,000,000 additional revenue anticipated from the proposed rate increases on fourth-class mail. A deficit of this size is a matter of grave concern, particularly at this time of emergency when the deficit must be met by the withdrawal from the Treasury of funds raised by general taxation and urgently needed for

defense purposes. This is especially discriminatory and objectionable because it places upon the taxpayer expenses which should be borne by those users of the mail services who for many years have been enjoying great privileges in the form of low, subsidized rates and other benefits. Among the groups profiting from the continuation of these privileges are the publishers of the more than 24,000 newspapers and other periodical publications constituting mail matter of the second class carried free of postage or at nominal rates; the many business concerns using the penny postal card or private mailing card for purely commercial or advertising purposes, more than 4,000,000,000 such cards being so used annually, and finally, the mailers of circulars, catalogs, and other printed advertising matter embraced in third-class mail of which around 10,000,000,000 pieces are mailed each year. These three groups of mailers are responsible for approximately \$418,000,000 of the annual deficit.

In view of all the circumstances it is highly important and most urgently essential that prompt action be taken by the Congress to correct the inequitable, unsound financial situation confronting the postal service through no fault of its own but which is due to failure to increase the postal rates, along with rising costs of operating the service as the result of legislation and other unavoidable causes. This can be accomplished only by a substantial, realistic upward revision of postage rates and fees for the special services, and I am therefore strongly urging such action. It is not contemplated that the postal rates shall be increased to such extent that the deficit will be eliminated entirely, as it is believed that the costs of handling Government penalty mail, congressional franked and other free mail, as well as air-mail subsidies and other nonpostal items should not be borne by the paying users of the several classes of mail and special services. Furthermore, it would not be feasible to increase the rates sufficiently to wipe out the deficit.

In accordance with the foregoing and pursuant to the recommendations of the President, I am submitting herewith a draft for legislation embodying a comprehensive schedule of rates and fees designed to raise approximately \$163,734,000 additional revenue. Under authority of existing law it is my purpose, in connection with the legislation herein proposed, to increase the charges for furnishing certain notices to the senders or addressees of mail of the second, third, and fourth classes, which is undeliverable as addressed, and also to increase the charge for furnishing certificates of mailing. Such increases should raise the revenue from the services affected by approximately \$2,586,000, making a total of \$166,320,000 additional revenue anticipated under the proposed legislation and departmental action. A summary of these items and the sources from which the additional revenue is anticipated follows:

<i>Estimated additional revenue</i>	
By proposed legislation:	
First-class mail:	<i>Increase from proposed rates</i>
Postal and post cards.....	\$46, 740, 000
Drop letters.....	1, 375, 000
Second-class mail:	
Publishers' pound rate, first year.....	<sup>1</sup> 20, 000, 000
Transient.....	789, 000
Third-class mail.....	65, 857, 000
Special services:	
Registered mail (paid).....	10, 583, 000
Insured mail.....	809, 000
C. o. d. mail.....	7, 461, 000
Special-delivery mail.....	10, 120, 000
Total by legislation.....	<u>163, 734, 000</u>
By departmental action:	
Notices to publishers.....	722, 000
Notices of change of address, Form 3547.....	1, 109, 000
Certificate of mailing.....	755, 000
Total by departmental action.....	<u>2, 586, 000</u>
Combined total.....	<u>166, 320, 000</u>

<sup>1</sup> 2 additional increases of \$10,000,000 each to be made over a period of 2 years, making a total of \$40,000,000 over a 3-year period.

I respectfully but most earnestly urge that prompt action be taken toward the enactment of the legislation herein recommended. I shall of course be pleased to furnish the Congress or its committees such additional details or other information as may be desired or helpful in considering this matter.

Sincerely yours,

J. M. DONALDSON,  
*Postmaster General.*









82D CONGRESS  
1ST SESSION

## [Report No. 547]

FEBRUARY 28, 1951

JUNE 11, 1951

[Strike out all after the enacting clause and insert the part printed in italic]

To readjust postal rates.

3 ~~FIRST CLASS MAIL~~

SECTION 1. (a) The rate of postage on postal cards (including the cost of their manufacture) and on private mailing or post cards conforming to the conditions prescribed by the Act entitled "An Act to amend the postal laws relating to the use of postal cards", approved May 19, 1898 (U. S. C., title 39, sec. 281), shall be 2 cents each: *Provided*, That the rate on each portion of double postal cards issued and sold under the provisions of the Act of March 3,

1 1879 (ch. 180, 20 Stat. 362; U. S. C., title 39, sec. 358);  
 2 shall be 2 cents.

3 (b) Except as provided in paragraph (a) of this section,  
 4 the rate of postage on mail matter of the first class when  
 5 mailed for local delivery at post offices where free delivery by  
 6 carrier is not established and when the matter is not col-  
 7 lected or delivered by rural or star route carriers, shall be 2  
 8 cents for each ounce or fraction thereof.

#### 9 SECOND-CLASS MAIL

10 SEC. 2. (a) In the case of publications entered as  
 11 second-class matter (including sample copies to the extent  
 12 of 10 per centum of the weight of copies mailed to sub-  
 13 scribers during the calendar year) when mailed by the pub-  
 14 lisher thereof from the post office of publication and entry  
 15 or other post office where such entry is authorized, or when  
 16 mailed by news agents (registered as such under regulations  
 17 prescribed by the Postmaster General) to actual subscribers  
 18 thereto or to other news agents for the purpose of sale, the  
 19 total postage computed at the pound rates in effect under  
 20 existing law and based on the bulk weight of each mailing  
 21 shall be increased by 50 per centum, beginning on the first  
 22 day of the second quarter beginning after the approval of  
 23 this Act and by an increase of 25 per centum, based on the  
 24 rates now in force, to take effect each year thereafter over a  
 25 period of two years: *Provided*, That publications having over

1 75 per centum advertising in more than one-half of their  
2 issues during any twelve months' period shall not be accepted  
3 for mailing as second-class matter and their entry shall be  
4 revoked.

5 (b) The free-in-county mailing privilege and the rates  
6 of postage on copies of publications of the second class when  
7 addressed for delivery within the county in which they are  
8 published and entered as such shall be the same as authorized  
9 by existing law: *Provided further*, That copies of a publica-  
10 tion mailed at a post office where it is entered, for delivery  
11 by letter carriers at a different post office within the delivery  
12 limits of which the headquarters or general business office of  
13 the publisher is located, shall be chargeable with postage  
14 at the rate that would be applicable if the copies were mailed  
15 at the latter office, unless postage chargeable at the pound  
16 rates from the office of mailing is higher, in which case such  
17 higher rates shall apply.

18 (c) In no case, except where the free-in-county mailing  
19 privilege is applicable, shall the postage on each individually  
20 addressed copy be less than one-eighth of 1 cent.

21 (d) The rate of postage on copies of publications having  
22 second-class entry mailed by others than the publishers or  
23 authorized news agents, sample copies mailed by the publish-  
24 ers in excess of the 10 per centum allowance entitled to be  
25 sent at the pound rates, and copies mailed by the publishers



1 to persons who may not be included in the required legitimate  
2 list of subscribers shall be 2 cents for the first two ounces  
3 and 1 cent for each additional two ounces or fraction thereof,  
4 except when the postage at the rates prescribed for fourth-  
5 class matter is lower, in which case the latter rates shall  
6 apply, computed on each individually addressed copy or pack-  
7 age of unaddressed copies, and not on the bulk weight of  
8 the copies and packages.

9 THIRD-CLASS MAIL

10       SEC. 3. The rate of postage on third-class matter shall  
11 be 2 cents for the first two ounces or fraction thereof, and 1  
12 cent for each additional ounce or fraction thereof up to and  
13 including eight ounces in weight, except that the rate of  
14 postage on books and catalogs of twenty-four pages or more,  
15 seeds, cuttings, bulbs, roots, scions, and plants not exceeding  
16 eight ounces in weight shall be 2 cents for the first two ounces  
17 or fraction thereof and  $1\frac{1}{2}$  cents for each additional two  
18 ounces or fraction thereof: *Provided*, That under such regu-  
19 lations as the Postmaster General may establish for the  
20 collection of the lawful revenue and for facilitating the  
21 handling of such matter in the mails, it shall be lawful to  
22 accept for transmission in the mails, separately addressed  
23 identical pieces of third-class matter in quantities of not less  
24 than twenty pounds, or of not less than two hundred pieces,  
25 subject to pound rates of postage applicable to the entire



1 bulk mailed at one time: *Provided further*, That the rate of  
2 postage on third-class matter mailed in bulk under the fore-  
3 going provision shall be 14 cents for each pound or fraction  
4 thereof with a minimum charge per piece of 2 cents, except  
5 that in the case of books and catalogs of 24 pages or more,  
6 seeds, cuttings, bulbs, roots, scions, and plants the rate shall  
7 be 10 cents for each pound or fraction thereof with a mini-  
8 mum charge per piece of 2 cents.

#### 9 SPECIAL DELIVERY

10 SEC. 4. Mail of any class shall be given the most expedi-  
11 tious handling and transportation practicable and immediate  
12 delivery at the office of address when, in addition to the  
13 regular postage, a special-delivery fee is prepaid thereon by  
14 means of special-delivery stamps or ordinary postage stamps,  
15 or in such other manner as the Postmaster General may  
16 prescribe, in accordance with the following schedule: Matter  
17 weighing not more than two pounds, if of the first class,  
18 23 cents; if of any other class, 35 cents. Matter weighing  
19 more than two but not more than ten pounds, if of the first  
20 class, 35 cents; if of any other class, 45 cents. Matter  
21 weighing more than ten pounds, if of the first class, 50  
22 cents; if of any other class, 60 cents.

#### 23 REGISTERED MAIL

24 SEC. 5. (a) Mail matter shall be registered on the ap-  
25 plication of the party posting the same. The registry fees,

1 which shall be in addition to the regular postage, and the  
2 limits of indemnity therefor within the maximum indemnity  
3 provided by this subsection, shall be as follows:

4 For articles having no intrinsic value and for which  
5 no indemnity is payable, 30 cents;

6 For registry indemnity not exceeding \$5, 40 cents;

7 For registry indemnity exceeding \$5 but not exceeding  
8 \$25, 55 cents;

9 For registry indemnity exceeding \$25 but not exceeding  
10 \$50, 65 cents;

11 For registry indemnity exceeding \$50 but not exceeding  
12 \$75, 75 cents;

13 For registry indemnity exceeding \$75 but not exceeding  
14 \$100, 85 cents;

15 For registry indemnity exceeding \$100 but not exceed-  
16 ing \$200, 95 cents;

17 For registry indemnity exceeding \$200 but not exceed-  
18 ing \$300, \$1.05;

19 For registry indemnity exceeding \$300 but not exceed-  
20 ing \$400, \$1.15;

21 For registry indemnity exceeding \$400 but not exceed-  
22 ing \$500, \$1.25;

23 For registry indemnity exceeding \$500 but not exceed-  
24 ing \$600, \$1.35;

1 For registry indemnity exceeding \$600 but not exceed-  
2 ing \$700, \$1.45;

3 For registry indemnity exceeding \$700 but not exceed-  
4 ing \$800, \$1.55;

5 For registry indemnity exceeding \$800 but not exceed-  
6 ing \$900, \$1.65;

7 For registry indemnity exceeding \$900 but not exceed-  
8 ing \$1,000, \$1.75: *Provided*, That for registered mail hav-  
9 ing a declared value in excess of \$25 a registry fee of not  
10 less than 55 cents shall be paid.

11 (b) For registered mail or insured mail treated as reg-  
12 istered mail having a declared value in excess of the max-  
13 imum indemnity covered by the registry or insurance fee  
14 paid there shall be charged additional fees (known as "sur-  
15 charges") as follows: When the declared value exceeds the  
16 maximum indemnity covered by the registry or insurance  
17 fee paid by not more than \$50, 2 cents; by more than \$50  
18 but not more than \$100, 3 cents; by more than \$100 but  
19 not more than \$200, 4 cents; by more than \$200 but not  
20 more than \$400, 6 cents; by more than \$400 but not more  
21 than \$600, 7 cents; by more than \$600 but not more than  
22 \$800, 8 cents; by more than \$800 but less than \$1,000,  
23 10 cents; and if the excess of the declared value over the  
24 maximum indemnity covered by the registry or insurance fee



1 paid is \$1,000 or more, the additional fees for each \$1,000  
 2 or part of \$1,000 on articles destined to points within the  
 3 several zones applicable to fourth-class matter shall be as  
 4 follows:

5 For local delivery or for delivery within the first zone,  
 6 12 cents;

7 For delivery within the second zone, 14 cents;

8 For delivery within the third zone, 16 cents;

9 For delivery within the fourth zone, 17 cents;

10 For delivery within the fifth or sixth zones, 18 cents;

11 For delivery within the seventh or eighth zones, 19  
 12 cents: *Provided*, That for registered mail or insured mail  
 13 treated as registered mail of such kind or character that it  
 14 may be carried at less than the maximum risk of loss in the  
 15 mails, the Postmaster General may prescribe rules for deter-  
 16 mining upon what part of the declared value in excess of  
 17 the maximum indemnity covered by the registry or insurance  
 18 fee paid the additional fees shall be based.

#### 19 RETURN RECEIPTS FOR REGISTERED MAIL

20 SEC. 6. Whenever the sender of any registered mail shall  
 21 so request, and upon payment of a fee of 7 cents at the time  
 22 of mailing or of 15 cents subsequent to the time of mailing,  
 23 a receipt shall be obtained for such registered mail, showing  
 24 to whom and when the same was delivered, which receipt



1 shall be returned to the sender, and be received in the courts  
 2 as prima facie evidence of such delivery: *Provided*, That upon  
 3 payment of the additional sum of 24 cents at the time of  
 4 mailing of any such registered mail, a receipt shall be obtained  
 5 for such registered mail, showing to whom, when, and the  
 6 address where the same was delivered, which receipt shall  
 7 be returned to the sender, and be received in the courts as  
 8 prima facie evidence of such delivery: *Provided further*, That  
 9 no refund shall be made of fees paid for return receipts for  
 10 registered mail where the failure to furnish the sender a  
 11 return receipt or the equivalent is not due to the fault of the  
 12 postal service.

#### 13 FEES FOR INSURED MAIL

14 SEC. 7. The fees for insurance, which shall be in addition  
 15 to the regular postage, and the limits of indemnity therefor  
 16 within the maximum indemnity provided by this section, shall  
 17 be as follows: 5 cents for indemnification not exceeding \$5;  
 18 10 cents for indemnification exceeding \$5 but not exceeding  
 19 \$10; 15 cents for indemnification exceeding \$10 but not  
 20 exceeding \$25; 20 cents for indemnification exceeding \$25  
 21 but not exceeding \$50; 30 cents for indemnification exceed-  
 22 ing \$50 but not exceeding \$100; 35 cents for indemnifica-  
 23 tion exceeding \$100 but not exceeding \$200.

## 1                   RETURN RECEIPTS FOR INSURED MAIL

2           SEC. 8. Whenever the sender of an insured article of  
3 mail on which other than the minimum fee was paid shall  
4 so request, and upon payment of a fee of 7 cents at the time  
5 of mailing or of 15 cents subsequent to the time of mailing,  
6 a receipt shall be obtained for such insured mail, showing  
7 to whom and when the same was delivered, which receipt  
8 shall be returned to the sender, and be received in the courts  
9 as prima facie evidence of such delivery: *Provided*, That  
10 upon payment of the additional sum of 24 cents at the time  
11 of mailing of any insured article of mail on which other than  
12 the minimum fee was paid, a receipt shall be obtained for  
13 such insured mail, showing to whom, when, and the address  
14 where the same was delivered, which receipt shall be re-  
15 turned to the sender, and be received in the courts as prima  
16 facie evidence of such delivery: *Provided further*, That no  
17 refund shall be made of fees paid for return receipts for  
18 insured mail where the failure to furnish the sender a return  
19 receipt or the equivalent is not due to the fault of the postal  
20 service.

## 21                   FEES FOR COLLECT-ON-DELIVERY MAIL

22           SEC. 9. The fees for collect-on-delivery service for sealed  
23 domestic mail matter of any class bearing postage at the  
24 first-class rate and for domestic third- and fourth-class mail  
25 matter shall, in addition to the regular postage and any other

1 required fees, be as follows: 30 cents for collections and  
2 indemnity not exceeding \$5; 40 cents for collections and  
3 indemnity exceeding \$5 but not exceeding \$10; 60 cents  
4 for collections and indemnity exceeding \$10 but not exceed-  
5 ing \$25; 70 cents for collections and indemnity exceeding  
6 \$25 but not exceeding \$50; 80 cents for collections and  
7 indemnity exceeding \$50 but not exceeding \$100; 90 cents  
8 for collections and indemnity exceeding \$100 but not ex-  
9 ceeding \$150; \$1.00 for collections and indemnity exceeding  
10 \$150 but not exceeding \$200.

11 REGISTERED ~~COLLECT-ON-DELIVERY~~ MAIL

12 SEC. 10. (a) The fee for ~~collect-on-delivery~~ service for  
13 registered sealed domestic mail of any class bearing postage  
14 at the first-class rate shall, in addition to the regular postage  
15 and any other required fees, be 80 cents for collections and  
16 indemnity not exceeding \$10; \$1.10 for collections and in-  
17 demnity exceeding \$10 but not exceeding \$50; \$1.20 for  
18 collections and indemnity exceeding \$50 but not exceeding  
19 \$100; \$1.40 for collections and indemnity exceeding \$100  
20 but not exceeding \$200. The maximum amount of charges  
21 collectible on any registered sealed domestic ~~collect-on-~~  
22 delivery article shall be \$200.

23 (b) When indemnity in excess of \$200 is desired, the  
24 fee for such registered sealed domestic ~~collect-on-delivery~~  
25 mail shall, in addition to the regular postage and any other



1 required fees, be \$1.50 for indemnity exceeding \$200 but  
2 not exceeding \$300; \$1.60 for indemnity exceeding \$300  
3 but not exceeding \$400; \$1.70 for indemnity exceeding \$400  
4 but not exceeding \$500; \$1.80 for indemnity exceeding \$500  
5 but not exceeding \$600; \$1.90 for indemnity exceeding \$600  
6 but not exceeding \$700; \$2.00 for indemnity exceeding \$700  
7 but not exceeding \$800; \$2.10 for indemnity exceeding \$800  
8 but not exceeding \$1,000.

9       SEC. 11. (a) The Postmaster General is authorized to  
10 prescribe by regulation from time to time the fees which shall  
11 be charged by the postal service—

12           ~~(1)~~ for the registry of mail matter;

13           ~~(2)~~ for the insurance of mail matter, or other  
14 indemnification of senders thereof for articles damaged  
15 or lost;

16           ~~(3)~~ for securing a signed receipt upon the delivery  
17 of registered or insured mail matter and returning such  
18 receipt to sender;

19           ~~(4)~~ for collect-on-delivery service;

20           ~~(5)~~ for special-delivery service;

21           ~~(6)~~ for special-handling service;

22           ~~(7)~~ for the issuance of money orders;

23           ~~(8)~~ for notice to publishers of undeliverable second-  
24 class mail, for notice of change of address, and for notice  
25 to addressee or sender of undeliverable third- or fourth-



class matter, or of undeliverable second-class matter mailed at the transient rate.

(b) Regulations issued by the Postmaster General under subsection (a) shall, to the extent prescribed therein, supersede existing laws, regulations, and orders governing the fees for the services covered thereby.

SEC. 12. All existing laws or portions thereof, inconsistent or in conflict with this Act, are hereby amended or repealed.

SEC. 13. This Act shall take effect on the first day of the third calendar month following the calendar month in which it is enacted, except the rates herein provided for second-class mail shall take effect on the first day of the second quarter beginning after the approval of this Act.

#### FIRST-CLASS MAIL

SECTION 1. (a) The rate of postage on each single postal card issued and sold under the provisions of section 3916 of the Revised Statutes (U. S. C., title 39, sec. 356), and on each portion of double postal cards issued and sold under the provisions of the Act of March 3, 1879 (U. S. C., title 39, sec. 358), shall be 2 cents: Provided, That on all single and double postal cards sold in quantities of one hundred or more there shall be an additional charge of 10 per centum. The rate of postage on each private mail-

1 ing or post card conforming to the conditions prescribed by  
2 the Act of May 19, 1898 (U. S. C., title 39, sec. 281),  
3 shall be 2 cents.

4 (b) Except as provided in paragraph (a) of this section,  
5 the rate of postage on mail matter of the first class when  
6 mailed for local delivery at post offices where free delivery by  
7 carrier is not established and when the matter is not col-  
8 lected or delivered by rural or star route carriers, shall be 2  
9 cents for each ounce or fraction thereof.

10 SECOND-CLASS MAIL

11 SEC. 2. (a) In the case of publications entered as  
12 second-class matter (including sample copies to the extent  
13 of 10 per centum of the weight of copies mailed to sub-  
14 scribers during the calendar year) when mailed by the pub-  
15 lisher thereof from the post office of publication and entry  
16 or other post office where such entry is authorized, or when  
17 mailed by news agents (registered as such under regulations  
18 prescribed by the Postmaster General) to actual subscribers  
19 thereto or to other news agents for the purpose of sale, the  
20 total postage computed at the pound rates in effect under  
21 existing law and based on the bulk weight of each mailing  
22 shall be increased by 20 per centum, beginning on the first  
23 day of the second quarter beginning after the approval of  
24 this Act and by an increase of 20 per centum, based on the  
25 rates now in force, to take effect each year thereafter over a

1 *period of two years: Provided, That publications having over*  
2 *75 per centum advertising in more than one-half of their*  
3 *issues during any twelve months' period shall not be accepted*  
4 *for mailing as second-class matter and their entry shall be*  
5 *revoked: Provided further, That there shall be no change in*  
6 *the rate of postage on publications maintained by and in the*  
7 *interest of religious, educational, scientific, philanthropic,*  
8 *agricultural, labor, veteran, or fraternal organizations or*  
9 *associations, not organized for profit and none of the net*  
10 *income of which inures to the benefit of any private stock-*  
11 *holder or individual.*

12 *(b) The free-in-county mailing privilege and the rates*  
13 *of postage on copies of publications of the second class when*  
14 *addressed for delivery within the county in which they are*  
15 *published and entered as such shall be the same as authorized*  
16 *by existing law: Provided further, That copies of a publica-*  
17 *tion mailed at a post office where it is entered, for delivery*  
18 *by letter carriers at a different post office within the delivery*  
19 *limits of which the headquarters or general business office of*  
20 *the publisher is located, shall be chargeable with postage*  
21 *at the rate that would be applicable if the copies were mailed*  
22 *at the latter office, unless postage chargeable at the pound*  
23 *rates from the office of mailing is higher, in which case such*  
24 *higher rates shall apply.*

25 *(c) In no case, except where the free-in-county mailing*

1 *privilege is applicable, shall the postage on each individually*  
2 *addressed copy be less than one-eighth of 1 cent.*

3       *(d) The rate of postage on copies of publications having*  
4 *second-class entry mailed by others than the publishers or*  
5 *authorized news agents, sample copies mailed by the publish-*  
6 *ers in excess of the 10 per centum allowance entitled to be*  
7 *sent at the pound rates, and copies mailed by the publishers*  
8 *to persons who may not be included in the required legitimate*  
9 *list of subscribers shall be 2 cents for the first two ounces*  
10 *and 1 cent for each additional two ounces or fraction thereof,*  
11 *except when the postage at the rates prescribed for fourth-*  
12 *class matter is lower, in which case the latter rates shall*  
13 *apply, computed on each individually addressed copy or pack-*  
14 *age of unaddressed copies, and not on the bulk weight of*  
15 *the copies and packages.*

16                                   *THIRD-CLASS MAIL*

17       *SEC. 3. The rate of postage on third-class matter shall*  
18 *be 2 cents for the first two ounces or fraction thereof, and 1*  
19 *cent for each additional ounce or fraction thereof up to and*  
20 *including eight ounces in weight, except that the rate of*  
21 *postage on books and catalogs of twenty-four pages or more,*  
22 *seeds, cuttings, bulbs, roots, scions, and plants not exceeding*  
23 *eight ounces in weight shall be 2 cents for the first two ounces*  
24 *or fraction thereof and  $1\frac{1}{2}$  cents for each additional two*  
25 *ounces or fraction thereof: Provided, That upon payment of*



1 a fee of \$10 for each calendar year or portion thereof and  
2 under such regulations as the Postmaster General may establish  
3 for the collection of the lawful revenue and for facilitating the  
4 handling of such matter in the mails, it shall be lawful to  
5 accept for transmission in the mails, separately addressed  
6 identical pieces of third-class matter in quantities of not less  
7 than twenty pounds, or of not less than two hundred pieces,  
8 subject to pound rates of postage applicable to the entire  
9 bulk mailed at one time: Provided further, That the rate of  
10 postage on third-class matter mailed in bulk under the fore-  
11 going provision shall be 14 cents for each pound or fraction  
12 thereof with a minimum charge per piece of  $1\frac{1}{2}$  cents, except  
13 that in the case of books and catalogs of 24 pages or more,  
14 seeds, cuttings, bulbs, roots, scions, and plants the rate shall  
15 be 10 cents for each pound or fraction thereof with a mini-  
16 mum charge per piece of  $1\frac{1}{2}$  cents: And provided further,  
17 That pieces or packages of such size or form as to prevent  
18 ready facing and tying in bundles and requiring individual  
19 distributing throughout shall be subject to a minimum charge  
20 of 5 cents each.

#### 21 BOOKS

22 SEC. 4. The rates of postage prescribed by subsections  
23 (d) and (e) of section 204 of the Postal Rate Revision and  
24 Federal Employees Salary Act of 1948 shall remain in effect  
25 until otherwise provided by Congress.

## SPECIAL DELIVERY

SEC. 5. Mail of any class shall be given the most expeditious handling and transportation practicable and immediate delivery at the office of address when, in addition to the regular postage, a special-delivery fee is prepaid thereon by means of special-delivery stamps or ordinary postage stamps, or in such other manner as the Postmaster General may prescribe, in accordance with the following schedule: Matter weighing not more than two pounds, if of the first class, 23 cents; if of any other class, 35 cents. Matter weighing more than two but not more than ten pounds, if of the first class, 35 cents; if of any other class, 45 cents. Matter weighing more than ten pounds, if of the first class, 50 cents; if of any other class, 60 cents.

## REGISTERED MAIL

SEC. 6. (a) Mail matter shall be registered on the application of the party posting the same. The registry fees, which shall be in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by this subsection, shall be as follows:

For articles having no intrinsic value and for which no indemnity is payable, 30 cents;

For registry indemnity not exceeding \$5, 40 cents;

For registry indemnity exceeding \$5 but not exceeding \$25, 55 cents;

1        *For registry indemnity exceeding \$25 but not exceeding*  
2        *\$50, 65 cents;*

3        *For registry indemnity exceeding \$50 but not exceeding*  
4        *\$75, 75 cents;*

5        *For registry indemnity exceeding \$75 but not exceeding*  
6        *\$100, 85 cents;*

7        *For registry indemnity exceeding \$100 but not exceed-*  
8        *ing \$200, 95 cents;*

9        *For registry indemnity exceeding \$200 but not exceed-*  
10       *ing \$300, \$1.05;*

11       *For registry indemnity exceeding \$300 but not exceed-*  
12       *ing \$400, \$1.15;*

13       *For registry indemnity exceeding \$400 but not exceed-*  
14       *ing \$500, \$1.25;*

15       *For registry indemnity exceeding \$500 but not exceed-*  
16       *ing \$600, \$1.35;*

17       *For registry indemnity exceeding \$600 but not exceed-*  
18       *ing \$700, \$1.45;*

19       *For registry indemnity exceeding \$700 but not exceed-*  
20       *ing \$800, \$1.55;*

21       *For registry indemnity exceeding \$800 but not exceed-*  
22       *ing \$900, \$1.65;*

23       *For registry indemnity exceeding \$900 but not exceed-*  
24       *ing \$1,000, \$1.75: Provided, That for registered mail hav-*

1    *ing a declared value in excess of \$25 a registry fee of not*  
2    *less than 55 cents shall be paid.*

3        *(b) For registered mail or insured mail treated as reg-*  
4    *istered mail having a declared value in excess of the max-*  
5    *imum indemnity covered by the registry or insurance fee*  
6    *paid there shall be charged additional fees (known as “sur-*  
7    *charges”) as follows: When the declared value exceeds the*  
8    *maximum indemnity covered by the registry or insurance*  
9    *fee paid by not more than \$50, 2 cents; by more than \$50*  
10    *but not more than \$100, 3 cents; by more than \$100 but*  
11    *not more than \$200, 4 cents; by more than \$200 but not*  
12    *more than \$400, 6 cents; by more than \$400 but not more*  
13    *than \$600, 7 cents; by more than \$600 but not more than*  
14    *\$800, 8 cents; by more than \$800 but less than \$1,000,*  
15    *10 cents; and if the excess of the declared value over the*  
16    *maximum indemnity covered by the registry or insurance fee*  
17    *paid is \$1,000 or more, the additional fees for each \$1,000*  
18    *or part of \$1,000 on articles destined to points within the*  
19    *several zones applicable to fourth-class matter shall be as*  
20    *follows:*

21        *For local delivery or for delivery within the first zone,*  
22    *12 cents;*

23        *For delivery within the second zone, 14 cents;*

24        *For delivery within the third zone, 16 cents;*

25        *For delivery within the fourth zone, 17 cents;*



1     *For delivery within the fifth or sixth zones, 18 cents;*

2     *For delivery within the seventh or eighth zones, 19*  
3 *cents: Provided, That for registered mail or insured mail*  
4 *treated as registered mail of such kind or character that it*  
5 *may be carried at less than the maximum risk of loss in the*  
6 *mails, the Postmaster General may prescribe rules for deter-*  
7 *mining upon what part of the declared value in excess of*  
8 *the maximum indemnity covered by the registry or insurance*  
9 *fee paid the additional fees shall be based.*

10           *RETURN RECEIPTS FOR REGISTERED MAIL*

11     *SEC. 7. Whenever the sender of any registered mail shall*  
12 *so request, and upon payment of a fee of 7 cents at the time*  
13 *of mailing or of 15 cents subsequent to the time of mailing,*  
14 *a receipt shall be obtained for such registered mail, showing*  
15 *to whom and when the same was delivered, which receipt*  
16 *shall be returned to the sender, and be received in the courts*  
17 *as prima facie evidence of such delivery: Provided, That upon*  
18 *payment of the additional sum of 24 cents at the time of*  
19 *mailing of any such registered mail, a receipt shall be obtained*  
20 *for such registered mail, showing to whom, when, and the*  
21 *address where the same was delivered, which receipt shall*  
22 *be returned to the sender, and be received in the courts as*  
23 *prima facie evidence of such delivery: Provided further, That*  
24 *no refund shall be made of fees paid for return receipts for*  
25 *registered mail where the failure to furnish the sender a*

1 *return receipt or the equivalent is not due to the fault of the*  
2 *postal service.*

3 *FEES FOR INSURED MAIL*

4 *SEC. 8. The fees for insurance, which shall be in addition*  
5 *to the regular postage, and the limits of indemnity therefor*  
6 *within the maximum indemnity provided by this section, shall*  
7 *be as follows: 5 cents for indemnification not exceeding \$5;*  
8 *10 cents for indemnification exceeding \$5 but not exceeding*  
9 *\$10; 15 cents for indemnification exceeding \$10 but not*  
10 *exceeding \$25; 20 cents for indemnification exceeding \$25*  
11 *but not exceeding \$50; 30 cents for indemnification exceeding*  
12 *\$50 but not exceeding \$100; 35 cents for indemnification*  
13 *exceeding \$100 but not exceeding \$200.*

14 *RETURN RECEIPTS FOR INSURED MAIL*

15 *SEC. 9. Whenever the sender of an insured article of*  
16 *mail on which other than the minimum fee was paid shall*  
17 *so request, and upon payment of a fee of 7 cents at the time*  
18 *of mailing or of 15 cents subsequent to the time of mailing,*  
19 *a receipt shall be obtained for such insured mail, showing*  
20 *to whom and when the same was delivered, which receipt*  
21 *shall be returned to the sender, and be received in the courts*  
22 *as prima facie evidence of such delivery: Provided, That*  
23 *upon payment of the additional sum of 24 cents at the time*  
24 *of mailing of any insured article of mail on which other than*

1 the minimum fee was paid, a receipt shall be obtained for  
2 such insured mail, showing to whom, when, and the address  
3 where the same was delivered, which receipt shall be re-  
4 turned to the sender, and be received in the courts as prima  
5 facie evidence of such delivery: Provided further, That no  
6 refund shall be made of fees paid for return receipts for  
7 insured mail where the failure to furnish the sender a return  
8 receipt or the equivalent is not due to the fault of the postal  
9 service.

10 FEES FOR COLLECT-ON-DELIVERY MAIL

11 SEC. 10. The fees for collect-on-delivery service for sealed  
12 domestic mail matter of any class bearing postage at the  
13 first-class rate and for domestic third- and fourth-class mail  
14 matter shall, in addition to the regular postage and any other  
15 required fees, be as follows: 30 cents for collections and  
16 indemnity not exceeding \$5; 40 cents for collections and  
17 indemnity exceeding \$5 but not exceeding \$10; 60 cents  
18 for collections and indemnity exceeding \$10 but not exceed-  
19 ing \$25; 70 cents for collections and indemnity exceeding  
20 \$25 but not exceeding \$50; 80 cents for collections and  
21 indemnity exceeding \$50 but not exceeding \$100; 90 cents  
22 for collections and indemnity exceeding \$100 but not ex-  
23 ceeding \$150; \$1.00 for collections and indemnity exceeding  
24 \$150 but not exceeding \$200.



## 1 REGISTERED COLLECT-ON-DELIVERY MAIL

2 SEC. 11. (a) The fee for collect-on-delivery service for  
3 registered sealed domestic mail of any class bearing postage  
4 at the first-class rate shall, in addition to the regular postage  
5 and any other required fees, be 80 cents for collections and  
6 indemnity not exceeding \$10; \$1.10 for collections and in-  
7 demnity exceeding \$10 but not exceeding \$50; \$1.20 for  
8 collections and indemnity exceeding \$50 but not exceeding  
9 \$100; \$1.40 for collections and indemnity exceeding \$100  
10 but not exceeding \$200. The maximum amount of charges  
11 collectible on any registered sealed domestic collect-on-  
12 delivery article shall be \$200.

13 (b) When indemnity in excess of \$200 is desired, the  
14 fee for such registered sealed domestic collect-on-delivery  
15 mail shall, in addition to the regular postage and any other  
16 required fees, be \$1.50 for indemnity exceeding \$200 but  
17 not exceeding \$300; \$1.60 for indemnity exceeding \$300  
18 but not exceeding \$400; \$1.70 for indemnity exceeding \$400  
19 but not exceeding \$500; \$1.80 for indemnity exceeding \$500  
20 but not exceeding \$600; \$1.90 for indemnity exceeding \$600  
21 but not exceeding \$700; \$2.00 for indemnity exceeding \$700  
22 but not exceeding \$800; \$2.10 for indemnity exceeding \$800  
23 but not exceeding \$1,000.



1        *SEC. 12. (a) The Postmaster General is authorized to*  
2        *prescribe by regulation from time to time the fees which shall*  
3        *be charged by the postal service—*

4                *(1) for the registry of mail matter;*

5                *(2) for the insurance of mail matter, or other*  
6        *indemnification of senders thereof for articles damaged*  
7        *or lost;*

8                *(3) for securing a signed receipt upon the delivery*  
9        *of registered or insured mail matter and returning such*  
10       *receipt to sender;*

11               *(4) for collect-on-delivery service;*

12               *(5) for special-delivery service;*

13               *(6) for special-handling service;*

14               *(7) for the issuance of money orders;*

15               *(8) for notice to publishers of undeliverable second-*  
16       *class mail, for notice of change of address, and for notice*  
17       *to addressee or sender of undeliverable third- or fourth-*  
18       *class matter, or of undeliverable second-class matter*  
19       *mailed at the transient rate.*

20        *(b) Regulations issued by the Postmaster General under*  
21        *subsection (a) shall, to the extent prescribed therein, super-*  
22        *sede existing laws, regulations, and orders governing the*  
23        *fees for the services covered thereby.*

1        *SEC. 13. All existing laws or portions thereof, inconsis-*  
2        *ent or in conflict with this Act, are hereby amended or*  
3        *repealed.*

4        *SEC. 14. This Act shall take effect on the first day of*  
5        *the third calendar month following the calendar month in*  
6        *which it is enacted, except the rates herein provided for*  
7        *second-class mail shall take effect on the first day of the*  
8        *second quarter beginning after the approval of this Act.*



82<sup>d</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2982

[Report No. 547]

## A BILL

To readjust postal rates.

By Mr. MURRAY of Tennessee

FEBRUARY 28, 1951

Referred to the Committee on Post Office and Civil  
Service

JUNE 11, 1951

Reported with an amendment, committed to the Com-  
mittee of the Whole House on the State of the  
Union, and ordered to be printed







## READJUSTMENT OF POSTAL RATES

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JULY 18, 1951.—Ordered to be printed

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Mr. HAGEN, from the Committee on Post Office and Civil Service,  
submitted the following

### MINORITY VIEWS

[To accompany H. R. 2982]

H. R. 2982 is a bill designed to increase postal revenues by an estimated \$138,400,600 annually. It is the view of the undersigned that this measure, as reported, is unrealistic and self-defeating. H. R. 2982 is unrealistic because it seeks this increased revenue almost entirely from those classes of mail which have the lowest revenue potential for the Post Office Department. H. R. 2982 is self-defeating because a large part of the additional revenue contemplated will be canceled out by the ensuing shrinkage in business use of the mail.

It is the view of the undersigned that the measure, as reported, is inconsistent, discriminatory, and will create undue hardship to the American public, to large labor groups, and to thousands of companies, business firms and industries which are heavy users of the mails. The rates proposed, if enacted, will cause widespread unemployment, will cripple many businesses, and will disrupt the financial arrangements of some of our most worthy charities.

It is the recommendation of the undersigned that H. R. 2982 be recommitted in order that the following may be taken into consideration:

(a) Increase efficiency in the Post Office Department before using the deficit as a basis for setting rates.

(b) Consider the rates for first-, second-, and third-class mail as separate units so that a more careful study can be made of the problems involved by the rate structure recommended.

(c) Reorganize the Post Office Department's cost-ascertainment system to include such important intangible considerations as: The need for so many post offices, relative mail priority, degree of preference, and economic value of the several classes of service, which are essential if it is to be used as a tool in conjunction with all of the factors that go into the operation of the Postal Establishment. The cost-

ascertainment system should not be used as an absolute guide for establishment of postal rates.

(d) Rate increases proposed by the majority report are higher than increased costs since last increases.

(e) The public interest in maintaining low second-class rates.

(f) The tax loss to the Government by increased rates.

(g) Establish a joint congressional committee assisted by an advisory council to investigate the business methods, operations, rates and charges of the postal service, as provided by House Joint Resolution 235.

The Post Office Department is a major segment in the commercial life of the United States. Its facilities are used for the dissemination of information, for advertising for the promotion of business, and for the transportation of millions of parcels throughout our domestic economy. Its financial transactions in the way of money orders, postal notes, and postal savings rival those of our largest banks. It is the largest distributive enterprise of its kind in the world. It is operated to attempt to give good mail service to the American people. Mail service and facilities are provided in every part of the country regardless of cost. It is the only universal public service in the United States.

The traditional rates upon which all of the services performed by the Post Office Department are based cannot be changed without having an impact upon our whole economy. A rate increase of the magnitude such as proposed should be more carefully considered before being finally enacted by the Congress. The testimony of labor, farm, fraternal, veteran, religious, business, and industrial leaders, and many others, together with the many defects and inconsistencies in the bill as reported, causes a serious doubt as to its advisability at this time.

It is significant that no public witness, not even one, appeared urging that postal rates be raised. This report is submitted to point out some of the most important testimony with respect to this problem and give the Members of the House an analysis of the inconsistencies and discriminations in the bill.

Self-evidently, it is impossible to lessen the Post Office deficit appreciably by simply raising rates on second- or third-class mail and a minor portion of first-class mail.

Yet H. R. 2982 seeks only an additional \$51,511,000 from first-class mail, which last year brought the Post Office the massive income of \$815,271,402—more than four times the revenue from second-class and third-class put together. The measure also ignores the fact, fully recognized in cost-ascertainment reports of the Post Office Department, that the costs of handling first-class mail have been going up in approximately the same proportion as those of handling other classes.

#### FIRST-CLASS MAIL

Post and postal cards and drop letters are the only subclasses of first-class mail in which increases are proposed. Post cards are those manufactured and sold by private business. Postal cards are those issued and sold by the Post Office Department. Post cards and postal cards are widely used in the advertising service.



They are also used in large numbers by farmers' electrification cooperatives and many other utility companies in billing. Most small organizations—lodges, church groups, and clubs of all kinds—use this medium as a means of notifying their membership of meetings or other activities. The bill proposes to raise the rate on these cards to 2 cents. This is an increase of 100 percent and raises the cost to the users of these cards by \$50,000,000 annually. Such an increase is obviously out of line with other increases. It represents more than one-third of the entire increase proposed in the bill. Further consideration also should be given to the proposal of keeping "post cards" at 1 or 1½ cents, or lower than the Government-sold "postal card."

Such an increase is inconsistent with the increase provided for third-class bulk mail. It is obvious that large mailers will shift from the post and postal cards to third-class bulk mail since they can send much more material for 25 percent less cost. Thus, the increase in this item will fall largely on the small user of the post or postal card, who does not use a sufficient quantity to meet the bulk mailing requirements.

In the case of the picture post card, nearly a billion are sent annually. On each card now in stock is printed the legend "Place 1-cent stamp here." Changing the rate on such cards without sufficient time to change the stock will result in confusion and in a great burden being placed on the postal service for such items with insufficient postage. The industry estimates over a billion such cards are now in stock. Certainly the rate increase effective date should be postponed a year or more as to the increase on private post cards.

#### SECOND-CLASS MAIL

Second-class mail is comprised largely of magazines and newspapers. The rates proposed in this class of mail constitute not only increases as such but also major changes in policy.

The additional income to the post office from a 60-percent increase in second-class rates would be trivial by comparison with the damage involved for newspapers and magazines—many of which would be destroyed. A 60-percent increase is excessive and unjustified by comparison with the increase in handling costs. Post Office Department data show that from 1929 through 1949 (1950 cost figures, based on a different set of post offices, cannot be compared with those for previous years) the increase per piece and per pound in the cost of handling second-class mail was approximately 30 percent. That is just one-half of the second-class rate rise proposed in H. R. 2982. A 60-percent rise in rates cannot be justified on the ground of a 30-percent rise in costs.

We raise the following major objections to the recommendations on second-class mail:

##### *1. Rate increases are too steep*

The bill recommended by the committee will increase rates on second-class mail by 60 percent. This increase is too drastic and is made in the face of a volume of testimony to the effect that the maximum increase that publishers can stand at this time is 30 percent and even the 30 percent will cause many publishers to either seek other means of distribution or cease publication.

## *2. Higher rates won't raise revenue*

Increasing rates will not increase the amount of revenue received from second-class mail the first year by over \$8,000,000 as estimated by the majority. This estimate is based on the false assumption that volume of second-class mail will not be diminished by such a drastic increase in rates. Many publications already pay their own way under existing rates. The larger ones would divert many of their copies to other methods of distribution, thus reducing postal revenue. Publications of smaller circulation will be unable to divert their distribution from the mails to any comparable extent. They would have to reduce the size and quality of their issues, raise their subscription rates, and thereby lose circulation. It is clear that passage of this bill in its present form would cause unemployment, reduce postal revenue, and add even further to the postal deficit.

## *3. It causes a special hardship on many small worthy publications*

There is also a minimum rate placed on second-class matter of one-eighth cent. While this may seem like a small amount, it is important to note that the effect of the limitations will be most keenly felt by the small Sunday school papers and the educational current event news sent to school children.

### THIRD-CLASS MAIL

For third-class mail, H. R. 2982 proposes a rate increase of 50 percent in minimum-per-piece bulk mailing, which approximately matches the increased cost of handling third-class mail over the past 20 years. The measure takes no account, however, of the fact that rates for third-class mail were raised by 16½ percent just 2 years ago. The minority therefore considers that the proposed increase for third-class mail should not exceed one-fourth or certainly not more than one-third of a cent. The minimum charge per piece, following the same general formula, should be raised from 1 cent to 1¼ cents or not more than 1½.

The minority believes that the increases contained in the amended bill for third-class mail are inconsistent and present an unrealistic approach to the problems involved. It should be remembered that in January 1949 third-class rates were increased by over \$17,000,000.

The weaknesses of the cost-ascertainment system are most apparent in third-class mail. There is no breakdown of costs as between the various subclasses. Without such a breakdown it is virtually impossible to use these figures as a basis for setting rates.

The services performed by the postal service for each class of mail vary widely.

According to the figures of the Post Office Department, it costs the same to handle third-class mail as it does first-class mail. The unsoundness of such a position is obvious when one considers that in the bulk mailings the pieces are precanceled, faced, sorted, and tied into bundles, according to destination, and, in some cases, according to postal zones, and transported to the originating post office by the mail user. Nor do the mailings receive the high priority of service accorded first-class mail.

We have pointed out that in practically every rate-making or pricing system, consideration is given to different services performed and

lower rates accorded byproduct commodities. In the postal service the basic commodity is first-class mail, which is the only class of mail over which the Post Office Department has a monopoly. Third-class mail is a byproduct, and should not be charged with all of the overhead expenses that must be incurred to carry the first-class mail.

Based upon the testimony received at the hearing, there is reason to believe that the increases in third-class mail will—

(a) Result in sharply reduced volume of such mail and a smaller revenue.

(b) Cause a hardship to small-business men using third-class mail to advertise for business, send catalogs, or forward their merchandise.

(c) Completely disrupt the financial-support programs of such charities as the Boy Scouts, Girl Scouts, Crippled Children, the Red Cross, Tuberculosis Society, Cancer Research, and many others. Disabled American Veterans, for example, use third-class mail for their Identotag program. The proceeds from the sale of these miniatures of license plate key rings maintain their hospital for veterans' children. The increases proposed in this bill will amount to \$125,000 annually to this program alone, all of which must be subtracted from the money spent on this worthy charity.

(d) Result in an indirect loss of business as a result of reduced promotional effort. This will mean reduced taxes and increased unemployment. Many thousands of employees would be thrown out of work.

The business, cultural, and charitable promotional value of third-class bulk mailings is so important to our economy that, in our judgment, we should completely explore other alternatives before making such a drastic increase as would drive this item out of the mails. The proposals of the Post Office Department were not made along this line. Nor was such an approach made during the hearings. We would like an opportunity to explore other means or other services consistent with the retention of the 1-cent minimum rate. For example, we would like to know if it would not be better to increase the number of items from the present requirement of 200 before the minimum rate applies and to work out with the Department and the mail users what that increased number should be. We would also like to explore the possibility of a greater deferred service. Leaving the 1-cent as the local rate with the privilege of entry at the local post office is another possibility. In any event, if increases in third-class minimum rates are to be made as high as 1½ cents, it should be in two steps—not in one drastic 50-percent jump.

#### SPECIAL SERVICES

The special services are special delivery, registry, insurance, collect-on-delivery, money orders, postal notes, and postal savings. The recommendations of the majority represent what the Postmaster General recommended. There were no increases for money orders or postal savings.

While the position of the minority is that the Postmaster General should be able to set the rates on special services himself, it does not necessarily follow that when setting them by law they should be the



same. It is a slow process to change a law. Should the rates be too high, serious damage might be done before a change could be made. Already in these special services volume is decreasing because of the increased rates which went into effect on January 1, 1949.

We ask the question: Since the committee recommendation gives the Postmaster General authority to set the rates on special services, why raise them at all in this bill?

#### INCREASED EFFICIENCY

The deficit of the postal service has resulted in a number of objective studies of that Government Department with a view to modernizing it and adapting to its use advance administrative procedures, modern equipment, and a more effective organizational structure. During the Eightieth Congress studies were made by the Post Office and Civil Service Committee of the House under House Resolution 176.

The Hoover Commission on the Organization of the Executive Branch of the Government submitted a report with respect to increased efficiency in the postal service, pointing to possible savings of \$140,000,000 annually. We believe that all the Commission's recommendations should be placed in effect before legislating any further increases of rates.

The Postmaster General has stated he is not recommending increases in money orders because a new system for money orders will be placed into effect on July 1 of this year. He wants to wait until costs of the new system have been developed before raising rates. It is the position of the minority that the raising of rates in all mails and services should be held in abeyance until costs can be developed based upon the new procedures and methods that are being placed into effect as a result of the recommendations of the Congress, the Hoover Commission, and the Post Office Department.

Public Law 231 of the Eighty-first Congress established a research and development program in the Post Office Department. The program gives the Post Office Department the tools with which to carry out an extensive and exhaustive program to determine the best administrative techniques and mechanical equipment, pointing toward reduced unit costs.

The Department has reported to the Congress that many new developments have resulted from this program, among them mail-sorting machines, new mechanical equipment, letter-facing machines, etc. These should reduce costs and the results of these improvements should modify the need for rate increases.

Subsidies, such as those paid to airlines and the costs of carrying Government penalty mail, should be paid by direct appropriation. As yet we have been unable to even obtain a breakdown of the various charges and costs of these subsidies.

When such obvious changes can be made in the postal service that will reduce the deficit, it would appear that this is the place to begin, rather than by increasing rates with its resultant effect on our whole economy. If further increases in postal rates are voted prior to putting procedural recommendations into effect, it will remove much of the incentive to the Department to improve the efficiency of its organization, modernize its methods and equipment, and get maximum economy of operation.



Further, it is pointed out that on January 1, 1949, a new postal rate structure went into effect, representing rate increases totaling more than \$150,000,000 annually. In effect, the start toward reducing the deficit was begun by raising rates. Now is the time to reduce costs.

*What is out-of-pocket cost?*

Our postal system was created primarily for first-class letter mail. Most of its facilities and payroll would still be required if second-class publications were carried out of the mails. If this were done, postal revenues would be reduced about \$40,000,000 annually. Postal officials have been asked to estimate the out-of-pocket cost of carrying second-class mail without reduction of service—how many employees could be discharged, what facilities would be abandoned, and at what saving. Our committee has been unable to get a satisfactory answer to this question. We believe the out-of-pocket cost of carrying second-class mail is far less than that portion of the deficit annually allocated to second-class mail under the Post Office cost-ascertainment system. For example, under this system, 33.6 percent of the cost of maintaining the rural-delivery service is charged to second-class mail.

Many publications have relatively little circulation on rural routes. Obviously, rural delivery should be continued on its present basis even if there were no second-class mail. Determination of the cost of carrying second-class mail, on an out-of-pocket basis, should be a major consideration in reaching an intelligent decision on the rate question. Testimony was received by the committee from reputable witnesses showing the out-of-pocket costs for handling second-class mail was \$35,000,000. This amount is more than covered by the present revenue.

*Loss of volume increases deficit*

Although essentially a public service, and so conceived by Congress, the Post Office has many aspects of a business operation. It is an axiom of American business success that the best way to overcome rising costs is to maintain volume. In that way, cost per unit is spread over more units. The effect of the acceptance of rate recommendations made in H. R. 2982 would be to greatly reduce mail volume. If reduced volume at high rates is the only salvation for the postal system, then the livelihood of many of the half-million loyal postal workers is in jeopardy, all of our fourth-class post offices are in danger of being closed, and our highly regarded and appreciated rural-route service liable to reduction to three-times-a-week service instead of daily, and our city first-class collection and delivery service to curtailment.

We believe, along with many witnesses who testified during postal rate hearings, that the ultimate solution of the problem of the postal deficit lies largely in a strong attempt to maintain mail volume, improve the efficiency of the service, and reduce costs of the Post Office Department. This is particularly true in second-class mail because newspapers and some magazines have a delivery time requirement and better service is needed to hold or regain their business.

Also it should be remembered that second-class, like third-class and fourth-class mail, stimulates a large volume of first-class mail. There is no way that this effect can be measured but it should not be disregarded in the fixing of second- and third-class rates.

*Survey of postal rates and Post Office Department*

It is the view of the undersigned that an affirmative program should be adopted to investigate and survey postal rates in line with the proposals of House Joint Resolution 235.

This resolution provides for a joint committee of three members of the House Post Office and Civil Service Committee and three members of the Senate Post Office and Civil Service Committee to conduct a complete survey of post-office efficiency, rates and other pertinent matters. This joint committee would be assisted by a public advisory council of up to 20 members. The investigation would include:

(a) The study of the efficiency of the postal service and ways and means to increase its efficiency and bring more economy into its operations.

(b) The extent to which below-cost postal services are justified as being in the public interest taking into consideration the fact that the postal system was established as a service of the Government for all the people.

(c) The costs of handling the several classes of mail, and procedures whereby such costs can be reduced through improvements in methods and equipment.

(d) Rate recommendations, with due allowance for degree of preferment, priority in handling, economic value of services rendered, and the public interest served thereby.

(e) The extent to which the postal deficit is increased by including costs not properly chargeable to postal expenses.

It is the view of the minority that only through such an approach to the postal-rate problem can we find ultimately a fair and just solution. The joint committee, under the terms of the resolution, would report to the Congress by January 15, 1952.

If the postal-rate hearings proved nothing else, they did prove the need for a complete and detailed study of the highly technical considerations involved in the complex postal-rate structure. Testimony presented has not provided a sound base on which our committee can intelligently act at this time; that is why House Joint Resolution 235, which provides for a thorough study, should be inaugurated in this rate bill.

## ECONOMIC ASPECTS OF POSTAL RATES

The postal service has three major impacts on the economic life of the Nation. The first is the direct effect that the service has as the largest single transportation agency in the world; the second is the stimulating effect on our economy of the volume of advertising and promotional material which passes through the mails; and the third is the dissemination of technical information with respect to agriculture, new invention, and the improvement of industrial processes.

If we consider the postal deficit as a subsidy to the users of the mails, it can be stated that there is no Government subsidy which is so widely dispersed or with such a popular appeal. Its benefits accrue to every farmer on a rural route, to the legion of readers of our newspapers and magazines, to every member of a national veterans', labor, agricultural, charitable, or similar organization, to our hospitals, to our schools in low book rates; everyone from the farmer to the industrialist, from the cradle to the grave, benefits from the postal system and its low rates.

While it is true that the postal deficit must be made up in taxes no public witness favored raising postal rates for that reason, and business generally appears to favor the present procedure of paying the deficit by taxes. This method, no doubt, also meets with the approval of the great masses of the American public. It is to be doubted whether any taxpayer would receive sufficient reduction in taxes to offset higher costs due to increased postal rates.

In order to maintain a high level of production, we must create and maintain a demand for the goods provided. Advertising is a major method for creating a widespread demand for products. It is the volume demand for goods which is the very basis of our vaunted mass production.

The dissemination of technical information for our production facilities in the factory and on the farm is essential to our economy. It is a reason for our preeminence in the fields of agriculture, industry, and science, and is a major factor in our defense effort. The postal service is the channel through which our farmers, businessmen, scientists, tool designers, workers, tradesmen, and artisans receive current information of new developments in their respective fields.

#### OTHER OBJECTIONS

Some of the signers of this report have other objections to the bill, which are not stated here, and others are not in full agreement with all parts of this report. For a further statement of some of these objections, reference may be made to Report 1452, part 2, Eighty-first Congress, second session.

While only two members of the minority voted to report out H. R. 2982, several members for their own reasons, did not desire to sign the minority report, although they are opposed to one or more sections of the bill and voted against reporting the bill out of the committee.

However, it is felt that H. R. 2982, as reported, is untimely and contrary to the best interests of the American public and that it should not be approved. We recommend that it be recommitted so that one or more improved bills may be drawn and given further consideration at a later date.

HAROLD C. HAGEN  
ROBERT J. CORBETT  
GARDNER R. WITHROW  
USHER L. BURDICK  
H. R. GROSS  
WILLIAM R. WILLIAMS  
O. K. ARMSTRONG











## TO READJUST POSTAL RATES

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AUGUST 21 (legislative day, AUGUST 1), 1951.—Ordered to be printed

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Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service, submitted the following

## REPORT

[To accompany S. 1046]

The Committee on Post Office and Civil Service, to whom was referred the bill (S. 1046), to readjust postal rates, having considered the same, report favorably thereon with an amendment, and recommend that the bill, as amended, do pass.

## AMENDMENT

The committee amendment strikes out all after the enacting clause of the bill, as introduced, and inserts in lieu thereof a substitute, which appears in the reported bill in italic type.

## GENERAL STATEMENT

As the committee considers the present situation in the postal service, three things stand out: (a) The imperative need of more revenue; (b) the restoration of the service to its former status; (c) a joint study by both Houses of Congress of the entire postal picture.

Under the reported bill, a realistic approach is made to the matter of making a substantial increase in postal revenue without undue hardship to any person, organization, or business. In addition to the readjustment of postage rates, which the committee feels warranted and needed, the committee amendment seeks to find a solution to the remaining needs.

During hearings on this bill, and in connection with other legislation and hearings thereon, pleas were made by witnesses for a restoration of the postal service to the status existing prior to the issuance of the Postmaster General's curtailment order of April 17, 1950. This committee, at the last session of the Congress, reported out a

bill to restore such service but no action was taken thereon prior to adjournment. This bill was reintroduced early in this session (S. 190) and referred to this committee. Section 12 of the committee amendment incorporates the language of S. 190. The effect of this section, if enacted, would be to rescind this curtailment order and restore the service to its prior status.

In testifying before the committee on S. 1046, the Postmaster General stated that the cost of the restoration of service called for under section 12 would, with the contemplated salary increases, be between 100 and 120 million dollars, depending on what salary increase is granted to postal employees. However, the committee feels that the need for the restoration of the postal service to its former status far outweighs this cost and calls attention to the fact that the reported bill is approximately \$209,626,501 larger than the bill as introduced. Of course, it is recognized that before this increased revenue can be applied to restoration of the postal service sufficient funds must be appropriated to defray the cost of an adequate service since only appropriated money can be used by the Post Office Department.

For some time there has been a feeling that there should be a thorough investigation of various aspects of the postal service by a commission or a joint committee of the Congress. To this end the committee has incorporated into the committee amendment, as section 13, the provisions of Senate Joint Resolution 60, which was introduced by eight members of this committee, and which was carefully studied and favorably reported by an appropriate subcommittee.

In the introduction of Senate Joint Resolution 60, its sponsor, Senator Carlson, of Kansas, who was joined by seven other members of this committee including the chairman, made the following statement on the Senate floor:

Mr. President, the Post Office and Civil Service Committee is holding hearings on proposed postal rates and other postal policy questions, and these hearings will, no doubt, continue for several weeks. Some questions raised during current hearings on postal rate legislation involve spelling out whether the Post Office Department is a service or a business. An impartial study should reveal what definite proportion of the post-office service rendered to each class of mail and to each major division of each class should be considered as a service that should be paid for out of Government funds and not be included in the rates charged for postage. It seems to me we need more data on what proportion of the cost of rural free delivery and the cost of operation of thousands of small post offices should be considered as a justified service of the National Government to the people who live in rural areas. Congress needs the information that would be obtained by this study, in order to evaluate every phase of our postal service.

Section 13 of the committee amendment establishes a joint committee of the Congress to be known as the Joint Committee on the Postal Service, to be composed of three members of the Senate Committee on Post Office and Civil Service and three members of the House Committee on Post Office and Civil Service. It will be the duty of the joint committee to conduct a thorough study and investigation of the methods and means whereby the postal system can be developed and improved, the relationship between its strictly business aspect and that of public service, costs of operation, postal rates, cost ascertainment, and the exclusion from the Post Office budget of strictly nonpostal items, and such other matters that relate to the improvement of the postal service as the joint committee deems advisable. The joint committee is directed to report its recommendations from time to



time and submit a final report not later than January 15, 1953. Upon the filing of this final report the joint committee shall be terminated. If it should be found that the work under consideration cannot be completed by that time and in the opinion of Congress to disband the joint committee at the beginning of the Eighty-third Congress would not be advisable, the Congress, through appropriate legislation, can extend the life of the joint committee.

The committee wishes to emphasize that since a readjustment of postal rates is long past due, the readjustments provided in this bill should not be held up pending the report of the joint committee but such adjustments should be made effective as soon as possible.

The bill which this report accompanies is designed to increase the present revenues of the Post Office Department \$373,360,501 the first year with additional increases in third-class mail the second year and added revenue from second-class mail users in second and third years so that at the end of the third year the increased revenues over the present, without regard to increased volume, will be \$397,610,058. This is more clearly set forth in tables appearing in each section of this report and in the analysis at the end.

On February 27, 1951, the President of the United States sent the following message to both Houses of Congress calling attention to the large postal deficit in the Post Office Department and urging the enactment of legislation to relieve, at least in part, this undesirable situation.

This was followed on February 28, 1951, by a letter from the Postmaster General to the Vice President which appears immediately after the President's letter. The Postmaster General attached to his letter a suggested draft of a bill which was introduced as S. 1046. A similar letter and suggested bill (H. R. 2982) was sent to the Speaker of the House. His letter carries an estimate of additional revenue that would be raised by this legislation in the amount of \$163,734,000.

OFFICE OF THE POSTMASTER GENERAL,  
*Washington 25, D. C., February 28, 1951.*

The VICE PRESIDENT, UNITED STATES SENATE,

DEAR MR. VICE PRESIDENT: The President, in transmitting his recommendations to the Congress on January 15, 1951, for the budget of the United States Government for the fiscal year ending June 30, 1952, and in his recent special message, called attention to the large postal deficits amounting to more than one-half billion dollars annually and repeated his many previous recommendations for postal-rate legislation in order to bring postal revenues in line with present operation costs, which have increased by nearly 60 percent since 1945 due to postal employee pay raises and transportation rate increases without adequate increases in postage rates during the same period.

The President referred to the many steps taken by the Post Office Department to reduce the cost of postal operations and pointed out that the total potential savings from such measures to effect economy and improve efficiency are relatively small in relation to the present size of the postal deficit, which he stated would be unsound at any time but is especially untimely in a period when the Federal budget must sustain extremely heavy defense expenditures. He therefore strongly urged the enactment of such rate legislation as will reduce the deficit to an amount representing the cost of handling Government penalty and franked mail and other costs not properly chargeable to the general users of the postal service.

Although a partial revision of postage rates and fees was authorized by the act of Congress approved July 3, 1948, effective January 1, 1949, the additional revenue resulting therefrom was more than offset by the increases in postal employees' pay provided by the same act. In view of this and the fact that the recurring enormous annual deficits create an unsound financial condition, the

Department submitted to the Congress on February 21, 1949, schedules and recommendations for further postal rate revision estimated to raise approximately \$253,000,000. These were embodied in bills H. R. 2945 and S. 1103 and extended hearings thereon were held in 1949 and 1950 by the Post Office and Civil Service Committees of the House and Senate. H. R. 2945 was amended to produce about \$130,000,000 revenue a year and was passed by the House of Representatives on February 9, 1950. The Senate Post Office Committee recalled its bill, S. 1103, and took up H. R. 2945 instead but after holding hearings on the latter in April, May, and June, 1950, failed to report the bill and consequently no postal-rate legislation was enacted by the Eighty-first Congress.

The only action taken by the last Congress with respect to postal rate revision was to include in the act making supplemental appropriations for the fiscal year ending June 30, 1951, Public Law 843, approved September 27, 1950, a provision prohibiting the Postmaster General from withdrawing from the Treasury any of the funds appropriated to the Post Office Department from the general fund of the Treasury until he shall certify in writing that he has requested the consent of the Interstate Commerce Commission to the establishment of such rate increases or other reformatations pursuant to the provisions of section 207 of the act of February 28, 1925, as amended (39 U. S. C. 247), as may be necessary to insure the receipt of revenue from fourth-class mail service sufficient to pay the cost of such service. In compliance with this directive of the Congress the consent of the Interstate Commerce Commission was requested on October 13, 1950, to the establishment of rate increases on fourth-class (parcel post) mail designed to produce \$105,000,000 on an annual basis and assure the receipt of revenue from such service sufficient to pay its cost. Hearings on the Department's request were begun by the Commission on December 5 and concluded on January 26, 1951. All parties interested in the proceeding have been given until March 26, 1951, to submit briefs covering the matter.

If the Interstate Commerce Commission consents to the fourth-class rate increases as requested, the postal revenues will still fall far short of covering the constantly rising cost of operating the postal service. In fact the deficit, estimated at \$521,374,000 for the fiscal year 1952, will exceed \$416,000,000 after realizing the \$105,000,000 additional revenue anticipated from the proposed rate increases on fourth-class mail. A deficit of this size is a matter of grave concern, particularly at this time of emergency when the deficit must be met by the withdrawal from the Treasury of funds raised by general taxation and urgently needed for defense purposes. This is especially discriminatory and objectionable because it places upon the taxpayer expenses which should be borne by those users of the mail services who for many years have been enjoying great privileges in the form of low, subsidized rates and other benefits. Among the groups profiting from the continuation of these privileges are the publishers of the more than 24,000 newspapers and other periodical publications constituting mail matter of the second class carried free of postage or at nominal rates; the many business concerns using the penny postal card or private mailing card for purely commercial or advertising purposes, more than 4 billion such cards being so used annually, and finally, the mailers of circulars, catalogs, and other printed advertising matter embraced in third-class mail of which around 10 billion pieces are mailed each year. These three groups of mailers are responsible for approximately \$418,000,000 of the annual deficit.

In view of all the circumstances it is highly important and most urgently essential that prompt action be taken by the Congress to correct the inequitable, unsound financial situation confronting the postal service through no fault of its own but which is due to failure to increase the postal rates along with rising costs of operating the service as the result of legislation and other unavoidable causes. This can be accomplished only by a substantial, realistic upward revision of postage rates and fees for the special services, and I am therefore strongly urging such action. It is not contemplated that the postal rates shall be increased to such extent that the deficit will be eliminated entirely as it is believed that the costs of handling Government penalty mail, congressional franked and other free mail, as well as air-mail subsidies and other nonpostal items should not be borne by the paying users of the several classes of mail and special services. Furthermore, it would not be feasible to increase the rates sufficiently to wipe out the deficit.

In accordance with the foregoing and pursuant to the recommendations of the President, I am submitting herewith a draft for legislation embodying a comprehensive schedule of rates and fees designed to raise approximately \$163,734,000 additional revenue. Under authority of existing law it is my purpose, in connection with the legislation herein proposed, to increase the charges for furnishing certain notices to the senders or addresses of mail of the second, third, and fourth



classes, which is undeliverable as addressed, and also to increase the charge for furnishing certificates of mailing. Such increases should raise the revenue from the services affected by approximately \$2,586,000, making a total of \$166,320,000 additional revenue anticipated under the proposed legislation and departmental action. A summary of these items and the sources from which the additional revenue is anticipated follows:

*Estimated revenue increase from proposed rates*

By proposed legislation:	
Class of mail or service:	
First-class mail:	
Postal and post cards.....	\$46, 740, 000
Drop letters.....	1, 375, 000
Second-class mail:	
Publishers' pound rate, 1st year.....	120, 000, 000
Transient.....	789, 000
Third-class mail.....	65, 857, 000
Special services:	
Registered mail (paid).....	10, 583, 000
Insured mail.....	809, 000
C. o. d. mail.....	7, 461, 000
Special-delivery mail.....	10, 120, 000
Total by legislation.....	163, 734, 000
By departmental action:	
Notices to publishers.....	722, 000
Notices of change of address, Form 3547.....	1, 109, 000
Certificate of mailing.....	755, 000
Total by departmental action.....	2, 586, 000
Combined total.....	166, 320, 000

<sup>1</sup> 2 additional increases of \$10,000,000 each to be made over a period of 2 years, making a total of \$40,000,000 over a 3-year period.

I respectfully but most earnestly urge that prompt action be taken toward the enactment of the legislation herein recommended. I shall of course be pleased to furnish the Congress or its committees such additional details or other information as may be desired or helpful in considering this matter.

Sincerely yours,

J. M. DONALDSON,  
Postmaster General.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

*To the Congress of the United States:*

For the last several years, the United States postal service has been incurring very large deficits. The rapidly rising costs of delivering the mail have been substantially larger than the postage revenues received. The deficits have had to be made up by general tax revenues—or, to put it bluntly, the general taxpayer has been giving large subsidies to certain users of the postal system.

In the fiscal year 1952, the postal revenues are expected to be about \$1,840,000,000. Postal expenditures, at present cost levels, are expected to be about \$2,361,000,000, leaving a deficit of about \$521,000,000. This deficit may be larger if the Interstate Commerce Commission and the Civil Aeronautics Board raise transportation rates for carrying mail, as they have been requested to do by the railroads and airlines, or if other cost increases occur.

A postal deficit of more than one-half billion dollars is obviously unsound, especially at a time when every effort must be made to reduce the size of the Federal budget. The taxpayers of this country are faced with an unavoidably large burden in financing our defense program. It is unreasonable and unfair that they should also have to pay for postal costs which should be borne by those who receive the direct benefits of postal service.

At present, all major types of postal service, except first-class mail, are operated at a loss. Losses are especially heavy for second-class mail (newspapers and magazines) and third-class mail (mainly circulars and advertising matter). Together, these two classes of mail account for over \$300,000,000 of the anticipated deficit.

The large deficits being incurred in postal operations result primarily from postwar cost increases. The largest part of postal expenses is accounted for by the salaries of postal workers and the costs of transporting mail. These personnel and transportation costs are about 96 percent of all postal expenses.

During the past 5 years these costs have risen sharply. The salary increases for postal employees enacted in 1945, 1948, and 1949 have added approximately \$800,000,000 to annual costs. The cost of transporting mail by rail and by air has risen since July 1, 1945, by about \$175,000,000 on an annual basis. Including increased rentals and equipment and supply costs, the annual cost of operating the postal system is now more than \$1,000,000,000 higher than it was in 1945—more than a 100-percent increase in 5 years.

These increased costs obviously could not have been avoided. Postal employees should receive fair salaries. The railroads and airlines are entitled to fair compensation for carrying the mail.

To some extent, the effect of higher salary and transportation rates has been offset by increased output per man-hour worked. Since the end of World War II, the productivity of postal employees per man-hour has increased by more than 10 percent—which compares favorably with the record of private industry over the same period.

The Post Office is constantly working to improve the efficiency of postal operations. The Post Office Department has been considerably reorganized. Simplified accounting methods are being instituted. A stream-lined money-order system will shortly be established. Some services have been cut down or eliminated. Research on new and better methods for sorting and handling mail is going forward all the time.

But the plain fact is that no possible increase in efficiency could absorb the extremely large cost increases that have taken place. In spite of the increase in productivity per man-hour since 1945, the average cost of each postal transaction has increased by nearly 60 percent. During the same period, the average revenue from each transaction has increased by only 5½ percent.

Under these circumstances, it is clearly necessary to increase postal rates in order to reduce the postal deficit.

Accordingly, I recommend, as I have recommended a number of times over the past several years, that the Congress increase postal rates sufficiently to wipe out the bulk of the present postal deficit, which should not be borne by the general taxpayer.

The deficit should not be eliminated completely. Some postal costs are incurred to carry mail sent on official business by the legislative, executive, and judicial branches of Government. The airline subsidies—the amounts paid to the airlines over and above the cost of carrying air mail—are also charged to the Post Office. These, and a few other special expenses, amounting in all to about \$160,000,000, are incurred for general purposes of the Federal Government, and it is only reasonable that we should pay for them as we pay for other Federal expenditures, through Federal taxes.

The bulk of the deficit, however—estimated in fiscal year 1952 at \$361,000,000—is incurred in the course of providing postal service to users other than the Federal Government. There is no good reason for taxing our people to pay these costs. Postal rates should be raised enough to cover them.

Increasing postal rates presents many complex problems of detail, since our system of postal rates has been built rather haphazardly over the years. In the light of current conditions, it contains many deeply ingrained inequities and special privileges. The committees of Congress who are responsible for determining most postal rates will, of course, want to consider carefully the specific rates for each class of mail and type of service. The Postmaster General is prepared to present a number of suggestions for raising postal rates to more reasonable levels. I wish to emphasize here a few of the major considerations which seem to me important in raising rates.

1. First-class mail (ordinary letters and cards) in total more than pays its way at the present time. Postal and post cards, however, do not. Consequently, the only major change in first-class-mail rates I believe to be warranted at this time is in the rate of such cards. These cards were authorized by the Congress in 1872 at a rate of 1 cent each. The same low rate prevails today. This year more than 4,000,000,000 postal cards will be handled through the mails—over 90



percent of them used for commercial and advertising purposes. The cost of handling each card is 2.8 cents, while the revenue is 1 cent. I believe this rate should be raised to 2 cents, which would bring in, on the present volume, about \$47,000,000 of additional revenue.

2. Major changes are needed in postal rates for second-class mail (newspapers and magazines). In the fiscal year 1952, more than 6,000,000,000 individually addressed newspapers and magazines are expected to be carried, at a cost of about \$242,000,000. But the postage paid will be only about \$12,000,000. Thus the newspaper and magazine publishers will have \$200,000,000—or 80 percent—of their postal costs paid for them by the general public.

Newspapers and magazines are now carried for 1½ cents a pound, without regard to distance, for the reading matter they contain, and a graduated rate for the advertising matter in them, rising from 1½ cents a pound, for distances up to 150 miles, to 7 cents a pound, for distances over 1,800 miles. These rates were intentionally set low, when they were established, in order to encourage the spread of information and education among our citizens. This is still a desirable objective, but clearly does not warrant a subsidy as extreme as that which now exists.

For example, the popular, digest-type magazines, which carry no advertising, are sent by mail throughout the country at the rate of 1½ cents per pound. Since, on the average, three copies of this type of magazine weigh 1 pound, the postage works out to about one-half cent per copy transported anywhere in the United States. (It costs more to handle a copy of such a magazine than it does to handle an ordinary letter, for which a person pays 3 cents—six times as much postage.) It seems ridiculous for the taxpayers to be paying postage bills for magazines like these, which can well afford to pay their own way. Increasing the postage on such magazines obviously would not detract measurably from the purpose of spreading information and education among our citizens.

The large-circulation magazines which carry many pages of advertising pay a somewhat higher rate of postage, but one which is still only a small fraction of what it costs the postal service to handle these magazines. This means that, in plain fact, under present postal rates, the general taxpayers are generously subsidizing the advertisers, who are able to send their advertising into the homes of our people at less than cost. There seems to me no excuse whatever for the general taxpayers to subsidize advertisers. Surely advertising was not part of the public information and education which the Congress intended to subsidize 70 years ago when it established second-class mail.

These excessive subsidies for newspapers and magazines are not only wrong, they are seriously inequitable. Books, which are surely as important as newspapers and magazines in disseminating information, and mail-order catalogs, which carry advertising generally similar to that in newspapers and magazines, are classified as fourth-class mail. Under the recommended rates, there will be little, if any, subsidy in carrying these publications—a startling discrimination in comparison to the situation on second-class mail.

Newspaper and magazine publishers have substantially increased their subscription and advertising rates in recent years—in many cases doubling or tripling these rates. Second-class-postage rates, on the other hand, are close to the average level of 1879, when this class of mail was first established. Publishers who charge prices geared to present-day costs cannot reasonably expect to pay postage at rate levels 70 years old.

For these reasons I believe it is imperative now to increase second-class-mail rates. If these rates are doubled—which is the least that should be done—this would bring in only about \$40,000,000, and the general taxpayers would still be subsidizing second-class mail to the extent of more than 60 percent of its postal costs.

As a matter of long-term policy, second-class mail should be brought gradually toward self-sufficiency in postal revenues. The immediate recommendations for rate increases which the Postmaster General will make should be regarded as only the first step. Further changes should include adjustments in the basic structure, as well as in the level, of second-class rates. Accordingly, I am asking the Postmaster General to review the second-class-rate structure thoroughly, looking toward later consideration by the Congress.

3. More than 10,000,000,000 pieces of third-class mail (mostly circulars and advertising matter) are anticipated in fiscal year 1952. The costs of carrying this mail are now estimated to be about \$271,000,000. Third-class postal revenues, however, are expected to be about \$148,000,000, leaving an estimated deficit of about \$123,000,000.

The circulars and advertising matter which make up most of third-class mail are usually mailed in bulk at 1 cent for each piece. It costs nearly as much, of course, to handle a piece of this mail as it does to handle a first-class letter which has a 3-cent rate. I believe the minimum rate should be increased from 1 to 2 cents, which would increase revenue by about \$66,000,000, and cut the deficit on this class of mail by more than half.

4. The postal rates on fourth-class mail (parcel post) can be changed either by action of the Congress, or by action of the Interstate Commerce Commission approving changes proposed by the Postmaster General. Last year the Congress instructed the Postmaster General to seek the consent of the Commission for rate increases sufficient to make this class of mail pay its way. This he has done, and increases are now being considered by the Commission which would bring in an additional \$105,000,000 in revenue, more than enough to cover the fourth-class deficit.

5. In addition to carrying the four classes of mail, the Post Office provides certain special services. The major services for which fees are charged—registry, insurance, c. o. d. mail, and special delivery—are being operated at a loss, estimated at about \$29,000,000 in fiscal year 1952.

I believe that the fees for these services should be increased by enough to eliminate the deficit in this portion of the postal operation. Furthermore, I believe the Postmaster General should be given authority to revise these fees from time to time in order to keep them in line with costs. Such authority was included in a bill passed by the House of Representatives last year.

These various suggestions, together with certain less important changes, will, if enacted by the Congress, wipe out the bulk of the postal deficit. Some deficit will remain, above the amount that is properly chargeable to the general taxpayers. The amount of this remaining deficit is not certain now, in view of the possibility of higher transportation rates and other cost increases. Consequently, I am not now recommending all the rate increases that should be enacted to put the Post Office on a self-sufficient basis. However, as soon as the outlook on future costs is more clear, the Postmaster General will submit to the Congress such further recommendations for rate increases as may then be necessary to reduce the deficit to a proper level.

I strongly urge the Congress to correct the present unsound condition of the postal revenues. This is a time of emergency, when we must raise taxes on everyone to meet the heavy costs of stronger military defenses. Now, more than ever, it is wrong to ask the taxpayer to bear costs which should be borne by users of the mail service—users many of whom have enjoyed large special privileges in the form of low, subsidized postal rates.

The Federal budget I submitted to the Congress in January was based on the assumption that the postal deficit would be reduced from over \$500,000,000 to about \$160,000,000—the amount which is properly chargeable to the general taxpayer. My tax recommendations were likewise based on this assumption. To the extent that postal rates are not raised enough to meet that objective, even higher taxes will be needed to balance the budget.

HARRY S. TRUMAN.

THE WHITE HOUSE, February 27, 1951.

Hearings were held on this proposed legislation beginning March 20, 1951. The committee has carefully considered all of the testimony introduced during these hearings and other evidence bearing on the subject, and the bill, as reported, reflects the views of the committee on this matter.

#### SUMMARY OF RATE REVISIONS

##### *Section 1. First class mail*

*Letters and sealed parcels.*—The committee amendment increases the rates on the first ounce of letters and sealed parcels in first class mail from 3 to 4 cents. The amendment also increases the rate on drop letters (letters mailed at a post office having no village or city delivery and which are not delivered on a rural or star route) from 1 to 2 cents.

*Postals and post cards.*—The reported bill follows the recommendation of the Postmaster General as to the increase from 1 to 2 cents for Government postals and private post cards.

*Domestic air mail.*—Because of the established policy of aid to the airlines over and above compensation for carrying of mail by air, it is difficult to ascertain the exact cost of such service above revenue derived. If such subsidies are to be continued, after a very careful investigation by the Congress, there should be a complete separation of such payments from those made by the Post Office Department for handling the present large volume of air mail. Independent of this consideration, the committee felt that if there is an adjustment of rates on postals and post cards and the first ounce of other first-class mail, there should be a comparable adjustment in rates applicable to air-mail letters and air-mail postals. The committee amendment increases the rate on the first ounce of air-mail letters from 6 to 8 cents and the postage on air postals and post cards from 4 to 5 cents.

*Summary of revenues and expenditures, first-class mail and domestic air mail, fiscal year 1950, with estimated revenue increase under S. 1046*

	Total number of pieces	Total revenues	Total expenditures	Excess revenue (a) or expenditures (b)
First-class mail.....	24, 500, 071, 868	\$741, 151, 364	\$660, 728, 030	\$80, 423, 334 (a)
Air mail, including parcel post.....	853, 182, 700	74, 120, 038	109, 621, 905	35, 501, 867 (b)

## FIRST-CLASS MAIL BY SUBCLASSES

	Number of pieces <sup>1</sup>	Revenue <sup>1</sup>	Expenditures	1950 excess of revenue (a) or expenditures (b)
Letters and parcels <sup>2</sup> .....	20, 086, 384, 968	\$694, 966, 492	\$542, 937, 747	\$154, 076, 748 (a)
Postal and post cards.....	4, 413, 686, 900	44, 136, 869	117, 790, 283	73, 653, 414 (b)
Business reply mail fees.....		2, 048, 003		
Net excess of revenues.....				80, 423, 334 (a)

## DOMESTIC AIR MAIL BY SUBCLASSES

	Number of pieces <sup>1</sup>	Revenue <sup>1</sup>	Expenditures	1950 excess of expenditures
Letters, etc., up to 8 ounces.....	833, 792, 635	\$60, 543, 852		
Postal and post cards.....	9, 303, 525	372, 141	\$81, 887, 293	\$20, 848, 023
Business reply mail fees.....		123, 277		
Air parcel post.....	10, 086, 540	13, 080, 768	27, 734, 612	14, 653, 844
Total excess of expenditures.....				35, 501, 867

<sup>1</sup> Includes number of business reply letters and cards. Pieces, expenditures, and revenue at regular rates for business reply mail included in totals; revenue for such mail shown separately includes only extra charge of 1 cent per piece over regular rates.

<sup>2</sup> The estimated revenue from parcels of first-class mail is approximately \$92,000,000 annually.



*Estimated amount of additional revenue at increased rates prescribed in S. 1046*

	Pieces	Additional revenue	Excess of revenue (a) or expenditures (b)
First-class mail:			
Letters and parcels-----	20,086,384,968	<sup>1</sup> \$200,863,848	\$354,940,598 (a)
Postal and post cards-----	4,413,686,900	44,136,869	29,516,545 (b)
Subtotal-----		245,000,717	325,424,053 (a)
Air mail:			
Letters, etc., up to 8 oz-----	833,792,635	16,675,852	} 18,732,979 (b)
Postal and post cards-----	9,303,525	93,035	
Air parcel post-----	10,086,540		
Subtotal-----		16,768,887	18,732,979 (b)
Combined net amount of additional revenue, first class and airmail under S. 1046-----			306,691,074

<sup>1</sup> Includes \$1,375,000 additional revenue on drop letters at non-letter-carrier offices.

It will be seen from the foregoing tables that the net excess of revenue over expenditures for all first-class mail during the fiscal year 1950 was \$80,423,334 and that by increasing the postage 1 cent per piece on this class of mail the estimated revenue therefrom will exceed the expenditures by \$325,424,053.

The tables also show that while increasing the postage 2 cents per piece on domestic air-mail letters, etc., weighing not more than 8 ounces and 1 cent each on air-mail postal and post cards will produce \$16,768,888 additional revenue, the expenditures for the domestic air mail, including air parcel post, will still exceed the revenue by \$18,732,979.

It is estimated that the combined revenues from all first-class mail and domestic air mail under S. 1046, as amended, will exceed the expenditures apportioned thereto by \$306,691,074 a year. These estimates are based on the 1950 volume of mail and costs of handling. This is \$261,179,205 more than the amount of additional postage which it is estimated would be raised at the rates for these items provided in S. 1046 as originally introduced.

### *Section 2. Second-class mail*

Second-class mail comprises newspapers, magazines, and other periodicals, most of which are mailed in bulk by the publishers at pound rates and almost all of which are sent to paid subscribers. It is in this division of the mail where the gap is widest between revenue and cost of handling. According to the Post Office Department cost ascertainment for the fiscal year 1950 the total expenditures for handling second-class mail was \$237,677,263 with revenue of \$45,003,555, leaving an excess of apportioned expenditures over revenues of \$192,673,708. The volume of mail in second class has increased considerably in recent years until it is presently 19.26 percent of the total weight of all mail and 15.45 percent of the pieces (in fiscal year 1950 there were 6,162,849,787 pieces of second-class mail). However, users of second-class mail contributed only about 2.45 percent of the postal revenue. The committee feels that the increase in second-class mail should be on a graduated scale over a period of 3 years, as recommended by the Postmaster General, but that the increases as large as those contained in the bill as introduced should not be made without a thorough study of the entire subject as contem-



plated under section 13. The increases recommended of 10 percent each for 3 years, or a total of 30 percent, will result in increased revenues of approximately \$3½ million annually or a total of \$10,500,000.

The bill, as reported, makes no change in present free-in-county mailings, covering publications mailed to subscribers within county of publication, provided same are addressed for delivery at or from post offices where there is no city letter-carrier service.

The first proviso of section 2 (a) makes ineligible for second-class mailing privileges publications having over 75 percent advertising in more than half of their issues during any 12 months' period but further provides that a charge made solely for the publication of transportation schedules, fares, and related information shall not be construed as constituting a charge for advertising for the purpose of such requirement.

The two additional provisos in this section retain the present rates for nonprofit publications if in the interest of religious, educational, scientific, philanthropic, agricultural, labor, or fraternal organizations, and adds thereto temperance and veteran organizations and service clubs, with a strict requirement that none of the income shall inure to the benefit of any individual, and further provides, even if the publisher is not a nonprofit organization, that if the publication is designed for classroom or religious instruction classes, there shall be no increase in the present rates. In the case of the former—the nonprofit publications—the present rate of 1½ cents per pound for entire publication without reference to zone will be continued; in the case of the latter the rate will be 1½ cents as to reading content without regard to zones with present zone rates on advertising content.

The bill is introduced and as reported imposes a minimum charge of one-eighth of 1 cent on each individually addressed copy of second-class mail. This provision, however, is not applicable to free-in-county mailings.

Transient mail rates are increased from 1 cent to 2 cents for the first 2 ounces or fraction thereof, with no change in the present 1 cent rate for over 2 ounces, or the fourth-class rate, whichever is lower. This has reference to copies of publications having second-class entry mailed by others than the publishers or authorized news agents, sample copies mailed by the publishers in excess of the 10 percent allowance entitled to be sent at the pound rates, and copies mailed by the publishers to persons who may not be included in the required legitimate list of subscribers.

The following table sets forth the present rates and those proposed in the bill as reported:

*Within county of publication*

	Present rate	Proposed in S. 1046
Local delivery:		
Non-letter-carrier office.....	Free.....	Free.
Letter-carrier office: Weekly publications, by city carrier.	1 cent per pound.....	1 cent per pound with minimum charge of $\frac{1}{8}$ cent per copy except on free-in-county.
Publications issued more frequently than weekly, by city carrier.	1 cent per copy.....	1 cent per copy.
Publications, issued less frequently than weekly, by city carrier.	1 cent per copy first 2 ounces; 2 cents per copy, over 2 ounces.	No change, except with minimum $\frac{1}{8}$ -cent charge.
For delivery by other than city carrier.....	1 cent per pound.....	1 cent per pound, except $\frac{1}{8}$ -cent minimum charge.
Other than local delivery within county:		
For delivery at offices without city letter carriers.	Free.....	Free.
For delivery at offices having city carriers.....	1 cent per pound.....	1 cent per pound with minimum $\frac{1}{8}$ -cent charge.

*Outside county of publication*

[Unless nonprofit publications as set forth in second proviso of sec. 2 (a), or profit publications designed for classroom or religious instruction]

	Present rate (per pound)	Rate proposed in S. 1046, as amended (per pound)		
		First year	Second year	Third year
Reading portion.....	<i>Cents</i> 1½	\$0. 0165	\$0. 0180	\$0. 0195
Advertising portion:				
Zones 1 and 2.....	1½	. 0165	. 0180	. 0195
Zone 3.....	2	. 0220	. 0240	. 0260
Zone 4.....	3	. 0330	. 0360	. 0390
Zone 5.....	4	. 0440	. 0480	. 0520
Zone 6.....	5	. 0550	. 0600	. 0650
Zone 7.....	6	. 0660	. 0720	. 0780
Zone 8.....	7	. 0770	. 0840	. 0910
Publications with 5 percent or less advertising, minimum rate of $\frac{1}{8}$ cent per copy.....	1½	. 0165	. 0180	. 0195

	Present rate	Proposed rate in S. 1046
Transient rates: Newspapers and other periodical publications mailed by public and by publishers to nonsubscribers.	1 cent for each 2 ounces or fraction thereof or fourth-class rate, whichever is lower.	2 cents for first 2 ounces and 1 cent for each additional 2 ounces, or fraction thereof, or the fourth-class rate, whichever is lower.

- (1) If nonprofit publications present flat rate of 1½ cents per pound is continued.
- (2) If publications designed for classroom or religious instruction present rates continued.
- (3) Minimum of  $\frac{1}{8}$  cent per piece applies to all mailings except free-in-county mail.

*Section 3. Third-class mail*

Third-class mail includes miscellaneous printed matter, circulars, books, catalogs, merchandise, seeds, cuttings, bulbs, roots, scions, and plants. The weight must not exceed 8 ounces, otherwise fourth-class rates will be applied. The following table from the Post Office Department Cost Ascertainment Report for 1950 sets forth the

revenue, expenditures, pieces, and pounds with estimated increase from S. 1046 as amended.

Revenue.....	\$153, 745, 942
Expenditure.....	\$289, 618, 283
Excess of expenditures over revenue.....	\$135, 872, 341
Pieces.....	10, 342, 921, 097
Pounds.....	646, 197, 757
Estimated increase, S. 1046:	
First year.....	\$17, 937, 897
Second year.....	\$35, 187, 454

The following table makes a comparison of the present and proposed rates for third-class mail under the committee amendment:

	Present rate	Proposed rate
Regular per piece rate (circulars, miscellaneous printed matter, and merchandise).	2 cents first 2 ounces plus 1 cent for each additional ounce.	No change.
Special per piece rate (books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants).	1½ cents for each 2 ounces.	2 cents for first 2 ounces plus 1½ cents for each additional 2 ounces.
BULK MAILINGS		
20 pounds or 200 identical pieces—calendar-year fee for privilege of mailing at bulk rates.	\$10 annual fee.....	No change.
Rates:		
Circulars, miscellaneous printed matter, and merchandise.	14 cents per pound; minimum 1 cent per piece.	14 cents per pound; minimum 1¼ cents first year; 1½ cents second year.
Books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants.	10 cents per pound; minimum of 1 cent per piece.	10 cents per pound; minimum 1¼ cents first year; 1½ cents second year.
Pieces of odd size or form.....	Minimum charge of 3 cents each.	No change.

The bill continues the provision that special rates will be granted for bulk mailings (20 pounds or 200 identical pieces) of third-class mail sent under such regulations as the Postmaster General may prescribe for this class of mail under the special rates. Under the Postmaster General's recommendation set forth in the bill as introduced, the bulk mailing privilege was retained, but there was no real inducement to use bulk mailings since the minimum rate of 2 cents in the bill as introduced was the same as the rate for similar matter sent as regular third-class mail. This could have and probably would have resulted in eliminating a large portion of bulk mailings and, in the opinion of the committee, would cause the third-class mailer, in many instances, to discontinue sorting this mail before presenting it to the post office. The committee amendment sets the minimum rate on third-class bulk mail at 1¼ cents for the first year with an additional increase of a quarter of a cent the second year, so that after a lapse of a year from the effective date of the act the rate will be 1½ cents. This allows a half a cent per piece margin from the regular third-class rate after 1 year and enables the users of this class of the mail to absorb this increase over a period of a year rather than all at one time. While not extending over as long a period as the graduated increase in rates in second-class mail, the committee feels that such a graduated adjustment in third-class bulk mailings is as justified as the graduated adjustments in second-class mail. The committee feels that this differential is sufficient to justify the third-class mailer to continue the facing, sorting, and packaging of such mail prior to presenting it to the post office.



There is no change in the pound rates for such bulk mailings. These pound rates were last increased January 1, 1949, but there has been no increase in the minimum bulk mailing rate since this particular class of mail was established in 1928. In the opinion of the committee this increase in minimum bulk mailing rate of 25 percent the first year and 50 percent thereafter is moderate and fair but if the investigation contemplated under section 13 of this bill should reveal facts justifying further adjustments, the Congress could at that time reconsider the question.

The committee amendment sets up in third-class bulk mailings a new exemption in that there is no increase over present rates on such mailings if made by religious, educational, scientific, temperance, philanthropic, agricultural, labor, veterans' or fraternal organizations or associations, or service clubs, not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual. Witnesses representing such organizations testified before the committee as to the hardship that would result and the detriment to this much needed service to the public if there is any increase in their rates in third-class bulk mail. Webster's New Collegiate Dictionary, based on Webster's New International Dictionary, second edition, defines service clubs as follows:

Service club: An organization for the promotion of the common interests of its members and to help the community welfare, as a Rotary, Kiwanis, or Lions Club.

While, of course, it is not the intention of the committee to restrict the preferential treatment of this amendment solely to the three clubs mentioned, by way of illustration, in this definition, it is likewise not the intention of the committee to make the amendment apply to all organizations which may serve a worth-while purpose in civic improvement and development such as chambers of commerce, citizens' associations, etc., but that portion of the amendment having to do with "service clubs" is intended to refer to those organizations embraced within the popular understanding of service clubs and contemplated under the definition given. It should be noted that all of the organizations mentioned in the exemption must meet the test of not being organized for profit and that none of the net income of such organization inures to the benefit of any private stockholder or individual.

Elsewhere in this report, it is estimated that the increased revenue in third-class mail, including the increase from 1 to 1¼ cents in third-class bulk mailings, would result in an increase of \$17,937,897 the first year and that the additional increase of one-quarter of a cent per pound the second year would result in a total increase in revenue of \$35,187,454 annually. This estimate, however, does not take into account any adjustment by reason of the amendment that would retain the present rate of 1 cent per pound in bulk third-class mail if mailed by the nonprofit organizations set forth in the amendment, since no data were available to the committee upon which to base such an estimate. It is obvious, however, that the amendment would result in a substantial reduction.

The committee amendment makes no change in the present law as to the 3-cent fee for pieces or packages of such size or form as to prevent ready facing and tying in bundles and requiring individual distributing. Also the committee amendment retains the present \$10 annual fee for bulk mailings.



#### Section 4. Fourth-class mail

S. 1046, as introduced, carried no section on fourth-class mail for the reason set forth by the Postmaster General contained in his letter appearing in this report. The committee, however, feels very strongly that Congress alone should adjust postage rates and has added as section 4 a section on fourth-class mail.

In his testimony before the committee, the Postmaster General stated that he was not in accord with that portion of the ICC order (Docket No. 30690) with regard to books and expressed a preference for the retention of the present law as to books rather than that portion of the ICC order dealing with books.

Section 4 of the reported bill is divided as follows:

*Parcel post.*—It is the opinion of this committee that there should be substantial increases in parcel post. The rates set forth in section 4 effect such increases, and based on 1950 mailings this should yield additional revenue of \$61,825,000 annually. This is accomplished by increasing rates as set forth in section 4, which rates vary somewhat from the rates authorized under the order of the Interstate Commerce Commission, as is more clearly shown by the comparisons in the following table:

	Present rates first pound	Additional pounds		Proposed rates in ICC petition		Proposed rates in S. 1046 <sup>1</sup>			
		2 to 10 pounds	11 to 70 pounds	First pound	Additional pounds	First pound or fraction	Second pound or fraction	Next 3 to 10 pounds or fraction	Over 10 pounds or fraction
Zones:	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Local.....	10	1	0.75	15	1.25	15	2	1¼	¾
1 and 2.....	12	2.1	2	17	2.4	17	3	3	2¼
3.....	13	3	2.8	17	3.5	17	4	3½	2¾
4.....	14	4.5	4.25	19	4.75	18	5	4½	3½
5.....	15	6	5.5	21	6.75	19	7	6	5½
6.....	16	7.5	7.25	23	9.25	20	10	7½	7¼
7.....	17	9.5	9.25	25	11.50	21	11	10	9¼
8.....	18	11.5	11.25	27	14	22	12	11½	10¾

<sup>1</sup> On parcels measuring more than 84 inches but not more than 100 inches in length and girth combined, the minimum postage charge shall be the zone charge applicable to a 10-pound parcel.

<sup>2</sup> Except when the distance by the shortest regular mail route in first and second zones from the office of origin to the office of delivery is 300 miles or more, the rate shall be the same as for delivery within the third zone.

It is believed by many who have made a study of the matter that the parcel-post zone rates are relatively too high in the more distant zones and not high enough nearer the point of origin. The fourth section of this bill seeks to correct this by using a rate structure that changes the rate of progression so that the increased revenue will come primarily from the lower zones in which the principal volume of parcel post moves and in which the principal deficit occurs according to information submitted to the committee. If, however, it is shown that the rates in any zone as set forth in section 4 are out of line with costs within that particular zone as a result of the contemplated study of all matters affecting postal rates under section 13 of this bill, this can and should be corrected by subsequent legislation. Also, if it be shown that the revenue in zoned parcel post resulting from the adjustments set forth in section 4 will not make parcel post substan-

tially self-supporting, this can and should be further adjusted by Congress. While the committee is in sympathy with the position that parcel post should pay its way, the committee is, at the same time, aware of the fact that Congress has, from time to time, announced the principle that parcel-post rates shall not be in excess of the cost of handling this class of mail.

*Catalogs.*—While the committee feels that there should be some readjustment in the rates for catalogs and similar printed advertising matter in bound form weighing more than 8 ounces but not exceeding 10 pounds, and that the present rates as set forth in subsection (c) of section 204 of the Federal Employees Salary Act of 1948 call for an adjustment, the committee feels that the increases in rates on catalogs and related matter in fourth class under the petition of the Postmaster General to the Interstate Commerce Commission are higher than are warranted. The following table sets forth the present rates on such matter with the rates proposed in such petition and those set out in section 4 of this bill:

[Cents per pound]						
	On first pound or fraction thereof			Over 1 pound to 10 pounds		
	Present rates	ICC petition	S. 1046	Present rates	ICC petition	S. 1046
Zones:						
Local.....	7½	10	8	1	1½	1
1 and 2.....	8	11	9	1½	2½	1½
3.....	9	12	10	2	3	2½
4.....	10	13	11	2½	4	3
5.....	12	15	13	3	5½	4
6.....	13	16	14	4	7	5
7.....	14	17	15	5	9	6
8.....	15	18	16	6	11	7

According to the Post Office Department, based on mailings for the calendar year 1949, the increased revenue in fourth-class mail by reason of the petition to the Interstate Commerce Commission is as follows:

Parcel post.....	\$94, 161, 944
Catalogs.....	4, 920, 262
Books.....	6, 180, 151
Total.....	105, 262, 357

*Fourth-class mail*

	Revenue	Expenditures	Excess of expenditures over revenue	Revenue from S. 1046
Parcel post.....	\$380, 820, 198	\$455, 022, 716	\$64, 202, 518	\$61, 825, 000
Catalogs.....	12, 193, 538	20, 764, 527	8, 570, 989	1, 186, 000
Books.....	9, 682, 766	12, 879, 440	3, 196, 674	
Library books.....	96, 637	268, 445	171, 808	
Publications not entered as second-class matter.....	969, 449	1, 942, 825	973, 376	
Matter for blind at 1 cent per pound.....	5, 787	29, 409	23, 622	
Total.....	403, 768, 375	480, 907, 362	77, 138, 987	63, 011, 000

Excess of expenditures over revenue, 1950 cost ascertainment.....	\$77, 138, 987
Estimated increased revenue from S. 1046.....	63, 011, 000
Excess of expenditures over revenue if S. 1046 is enacted.....	14, 127, 987

*Books.*—The committee feels very strongly that there should be no change in the present rate on books. Section 4 of the reported bill provides that the rate, size, and weight of books and library books shall remain the same as they are under present law and that they will not be changed unless such change be approved by the Congress.

Books are entered under fourth-class mail and were included in the Postmaster General's petition to the Interstate Commerce Commission for authority to readjust the rates in fourth-class mail to include zoned parcel post, catalogs, and books. This committee did not participate in the hearings in connection with docket No. 30690 of the Interstate Commerce Commission but the committee has made a study of the proceedings and the order of the Commission. Such proceedings were instituted before the Commission by direction of the Congress in Public Law 843, Eighty-first Congress, which was in effect a mandate to the Postmaster General to file such a petition for a readjustment of fourth-class mail rates. In spite of this mandate, in which this committee had no part, it is the opinion of the committee that all postal rates should be readjusted by the Congress and not by an administrative or executive branch of the Government. Also the committee feels that this adjustment in book rates is particularly objectionable.

The Postmaster General proposed to the Interstate Commerce Commission that the rates on books be increased but that on parcels of books under 10 pounds the rate be a flat rate. In its decision the Interstate Commerce Commission, on May 11, 1951, consented to a zone rate for books. The placing of books under zone rates would, in the committee's opinion, create an undue hardship to an industry which has been established based upon a flat rate. It would also discriminate against areas in the country which do not have book publishers. The publishing of books, together with their printing and binding, is an industry which is concentrated largely in one section of the country and in order not to discriminate against readers in other sections, books have been accorded a flat rate since 1938.

It should also be noted that there have been substantial increases in book rates without comparable increases in the rates of other publications, such as magazines and newspapers. Prior to October 31, 1938, books were sent at the regular parcel-post rate. Effective November 1, 1938, by a Presidential proclamation, a book rate was established at 1½ cents per pound, which rate continued in effect until June 30, 1942. By acts of Congress, the rate level was increased to 3 cents for each pound, effective July 1, 1942; by 3 percent with a minimum of 1 cent per parcel effective March 26, 1944; and effective January 1, 1949, to the present time, the rate was increased to 8 cents for the first pound and 4 cents for each additional pound. The committee feels that these increases are sufficient and that no further increases should be made in rates for books.

#### SPECIAL SERVICES

The action of the committee as to special services was, with two exceptions, in line with the recommendation of the Postmaster General. His recommendation, as set forth in the bill as introduced, called for increases as indicated in the following table:



*For fiscal year 1950*

	Transac- tions	Revenue	Expendi- tures	Excess of expendi- tures over revenue	Estimated revenue in S. 1046 as introduced
Registered mail (paid).....	72, 391, 933	\$26, 475, 786	\$38, 648, 860	\$12, 173, 074	\$10, 583, 000
Insured mail.....	199, 157, 382	22, 214, 133	21, 523, 081	<sup>1</sup> 691, 052	809, 000
C. o. d. mail.....	63, 110, 631	18, 958, 315	26, 568, 158	7, 609, 843	7, 461, 000
Special-delivery mail.....	115, 043, 775	22, 676, 422	32, 463, 875	9, 787, 453	7, 500, 000
Total.....	449, 703, 721	90, 324, 656	119, 203, 974	29, 570, 370	26, 353, 000
Less.....				691, 052	
Total.....				28, 879, 318	

<sup>1</sup> Excess of revenue over expenditures.

Under this increase of \$26,353,000, which reflects the reduction in the fee for special delivery of matter not over 2 pounds from 23 to 20 cents, it is estimated by the committee that the special services listed above will approximately pay the cost of same with the exception of special-delivery service by reason of such reduction. The change in special delivery fee to 20 cents represents an increase of 5 cents over the present 15-cent rate. The committee feels that this fee should not be increased more than 5 cents.

Action of the committee on the sections of the bill in special services follows:

*Section 5. Special delivery*

Adjusted as set forth above, and as reflected in the following table:

	Present rate	Proposed rate
	<i>Cents</i>	<i>Cents</i>
First-class matter:		
Up to 2 pounds.....	15	20
Over 2, to 10 pounds.....	25	35
Over 10 pounds.....	35	50
Second-, third-, and fourth-class matter:		
Up to 2 pounds.....	25	35
Over 2, to 10 pounds.....	35	45
Over 10 pounds.....	45	60

*Section 6. Registered mail*

No change in bill as introduced.

*Section 7. Return receipts for registered mail*

No change in bill as introduced.

*Section 8. Fees for insured mail*

No change in bill as introduced.

*Section 9. Returned receipts for insured mail*

No change in bill as introduced.

*Section 10. Fees for collect-on-delivery mail*

No change in bill as introduced.

*Section 11. Registered collect-on-delivery mail*

No change in bill as introduced.

The following table sets forth the present and proposed fees in domestic registered, insured, and c. o. d. mail:



	Present fees	Proposed fees
Fees for domestic registered mail (first-, second-, and third-class matter, and sealed fourth-class matter on which postage at the first-class rate has been paid):		
Articles having no intrinsic value and for which no indemnity is payable....	\$0. 25	\$0. 30
Indemnity limit:		
\$0.01 to \$5.....	.25	.40
\$5.01 to \$25.....	.35	.55
\$25.01 to \$50.....	.40	.65
\$50.01 to \$75.....	.45	.75
\$75.01 to \$100.....	.50	.85
\$100.01 to \$200.....	.60	.95
\$200.01 to \$300.....	.70	1. 05
\$300.01 to \$400.....	.85	1. 15
\$400.01 to \$500.....	1. 00	1. 25
\$500.01 to \$600.....	1. 10	1. 35
\$600.01 to \$700.....	1. 20	1. 45
\$700.01 to \$800.....	1. 30	1. 55
\$800.01 to \$900.....	1. 40	1. 65
\$900.01 to \$1,000.....	1. 50	1. 75
For registered mail having a declared value in excess of \$25, registered fee of not less than.....	( <sup>1</sup> )	. 55
For registered mail having a declared value in excess of the maximum indemnity covered by the registry fee paid there shall be charged additional fees (surcharges) as follows:		
When the declared value exceeds the maximum indemnity covered by the registry fee paid—		
By not more than \$50.....	.02	No change
By more than \$50 hut not more than \$100.....	.03	No change
By more than \$100 hut not more than \$200.....	.04	No change
By more than \$200 hut not more than \$400.....	.06	No change
By more than \$400 hut not more than \$600.....	.07	No change
By more than \$600 hut not more than \$800.....	.08	No change
By more than \$800 hut less than \$1,000.....	.10	No change
If the excess of the declared value over the maximum indemnity covered by the registry fee paid is \$1,000 or more, the additional fees for each \$1,000 or part of \$1,000 on articles destined to points within the several zones applicable to fourth-class matter shall be as follows:		
For local delivery or for delivery within the first zone.....	.11	.12
For delivery within the second zone.....	.12	.14
For delivery within the third zone.....	.14	.16
For delivery within the fourth zone.....	.15	.17
For delivery within the fifth or sixth zone.....	.16	.18
For delivery within the seventh or eighth zone.....	.18	.19
Fees for domestic insured mail (third- and fourth-class matter):		
Indemnity limit:		
\$0.01 to \$5.....	.05	.05
\$5.01 to \$10.....	.10	.10
\$10.01 to \$25.....	.15	.15
\$25.01 to \$50.....	.20	.20
\$50.01 to \$100.....	.25	.30
\$100.01 to \$200.....	.30	.35
Fees for domestic c. o. d. mail, unregistered (third- and fourth-class matter and sealed domestic mail matter of any class hearing postage at the first-class rate):		
Indemnity limit:		
\$0.01 to \$2.50.....	.20	} .30
\$2.51 to \$5.....	.25	
\$5.01 to \$25.....	.35	{ 2.40
\$25.01 to \$50.....	.45	
\$50.01 to \$100.....	.55	.70
\$100.01 to \$150.....	.60	.80
\$150.01 to \$200.....	.65	.90
For insured mail treated as registered mail having a declared value in excess of the maximum indemnity covered by the insurance fee paid there shall be charged additional fees (surcharges) as follows:		
When the declared value exceeds the maximum indemnity covered by the insurance fee paid:		
By not more than \$50.....	.01	.02
By more than \$50 hut not more than \$100.....	.02	.03
By more than \$100 hut not more than \$200.....	.03	.04
By more than \$200 hut not more than \$400.....	.04	.06
By more than \$400 hut not more than \$600.....	.05	.07
By more than \$600 hut not more than \$800.....	.06	.08
By more than \$800 hut less than \$1,000.....	.07	.10

<sup>1</sup> No minimum charge.<sup>2</sup> \$5.01 to \$10.<sup>3</sup> \$10.01 to \$25.

With the exception of fees for special-delivery mail, the committee made no change in the readjustments recommended by the Postmaster General in those divisions of special services in which he felt that there should be a readjustment over present charges. The committee feels that such services are highly beneficial to the users and those who use such services should, and generally do, wish to pay the cost of the same. These increases are not large and should, generally and in the main, place such services on a self-supporting basis.

The bill as introduced provides that a fee of not less than 55 cents shall be required for registered mail having a declared value in excess of \$25. This provision is recommended by the Postmaster General, having been found necessary because of the tendency on the part of some users of registered mail to pay a fee covering indemnity in a lesser amount than the real value of the article.

It will be noted that no change is contemplated in the surcharge fees where the maximum indemnity covered by the fee paid does not exceed \$1,000. The Postmaster General felt that the present surcharge is sufficient in such case but has recommended a slight readjustment where the declared value is over \$1,000. The committee concurred in these recommendations.

The 1950 cost ascertainment showed a small estimated excess of revenue over expenditures for insured mail in the amount of \$691,052. However, there is no assurance that this condition will continue. The indemnity paid in connection with parcels insured for values in excess of \$50 is increasingly greater in proportion to the revenue derived in fees than the indemnity paid in connection with parcels insured at the lower values. For this reason the Postmaster General felt that small adjustments in the fees for insured mail exceeding \$50 in value are necessary to continue this division of special services as self-supporting. In this the committee agreed.

While there was some testimony offered during the hearings as to the hardship on the users if there were any increases in c. o. d. fees, the committee found itself in agreement with the Postmaster General that such fees should be readjusted to cover the cost of a collect-on-delivery service and concurred in his recommendations on this point.

Section 11 of S. 1046 as introduced authorized the Postmaster General to henceforth prescribe by regulations the fees which should be charged for the following special services:

1. Registry of mail matter.
2. Insurance of mail matter, or other indemnification of senders thereof for articles damaged or lost.
3. Securing a signed receipt upon the delivery of registered or insured mail matter and returning such receipt to sender.
4. Collect-on-delivery service.
5. Special-delivery service.
6. Special-handling service.
7. Issuance of money orders.
8. Notice to publishers of undeliverable second-class mail, for notice of change of address, and for notice to addressee or sender of undeliverable third- or fourth-class matter, or of undeliverable second-class matter mailed at the transient rate.

The committee realizes that this was a recommendation of the Hoover Commission and that this recommendation was contained in

H. R. 2945 of the Eighty-first Congress, which bill passed the House. However, this committee feels very strongly that all postal rate readjustments are matters for the Congress with the aid of the Post Office Department, and other guidance, on which information can be secured by the committee to permit intelligent action. The committee believes that the setting up of the joint committee and the study contemplated under section 13 of this bill is along the right line rather than a direct delegation of rate-making in special services to an administrative body, therefore, the committee amendment does not contain the original section 11. During the hearings there was considerable testimony in opposition to this section and we do not recall any testimony in favor of it, other than that of the Postmaster General. However, the committee is in agreement with the position of the Postmaster General that special services are of such a nature that fees should be fixed which will enable this particular service of an individual nature to be self-supporting. In the main, such services represent something that is rendered over and beyond the regular handling of the mail and, while highly desirable and necessary in many instances, it is a service for which the user should and generally wishes to pay.

#### *Section 12. Restoration of service*

This is a new section designed to restore the service to that existing prior to April 17, 1950, at which time the Postmaster General, for budgetary reasons, issued an order curtailing certain services. In the opinion of the committee the services curtailed pursuant to this order are necessary in the main and should be restored.

#### *Section 13. Joint committee on postal service*

This section, incorporating into the reported bill Senate Joint Resolution 60 of this Congress, with appropriate changes in language and numbering of sections, has been discussed elsewhere in this report. Since the cost involved under this section will be borne by the legislative branch of the Government and the Post Office Department will not be affected, and also because it is impossible at this time to estimate such cost, no such item is reflected in the committee report.

#### *Section 14. Repeal of existing law*

This is a sufficient repealing section to take care of any existing law that is inconsistent with the committee amendment.

#### *Section 15. Effective date*

The effective date is not changed from that of the bill as introduced. Rates on second-class mail shall take effect on the first day of the second quarter beginning after the approval of the bill; other rates shall go into effect on the first day of the third calendar month following the month in which the legislation is enacted, except for the rates that are specifically deferred in sections 2 and 3, second- and third-class mail.

Sections in the committee amendment are appropriately renumbered by reason of the deletion of and addition of sections.

#### AGENCY REPORTS

Attached are letters from the Director of the Bureau of the Budget and the Comptroller General, which reports are directed to the bill as



introduced. Also there is attached a report from the Postmaster General directed to the bill in the form in which it is reported.

EXECUTIVE OFFICE OF THE PRESIDENT,  
BUREAU OF THE BUDGET,  
Washington 25, D. C., March 27, 1951.

HON. OLIN D. JOHNSTON,  
Chairman, Post Office and Civil Service Committee,  
United States Senate, Washington, D. C.

MY DEAR SENATOR JOHNSTON: This is in reply to your letter of March 7, requesting comments on S. 1046, a bill to readjust postal rates.

S. 1046 is identical with the draft bill submitted to the Congress by the Postmaster General. It carries out the recommendations for postal rate increases contained in the President's special message on this subject, which was transmitted to the Congress on February 27, 1951.

As emphasized by the President in his message, more adequate postal rates are urgently needed in order to reduce the extremely high postal deficit, which is estimated at \$521 million for the fiscal year 1952. S. 1046 is in accord with the program of the President, and this Bureau recommends its enactment at the earliest possible date.

Very truly yours,

F. J. LAWTON, *Director.*

COMPTROLLER GENERAL OF THE UNITED STATES,  
Washington 25, D. C., April 9, 1951.

HON. OLIN D. JOHNSTON,  
Chairman, Committee on Post Office and Civil Service,  
United States Senate

MY DEAR MR. CHAIRMAN: Reference is made to your letter of March 7, 1951, acknowledged by telephone March 9, requesting a report on S. 1046, Eighty-second Congress, entitled "A bill to readjust postal rates."

The bill would effect an increase in postal rates to provide increased revenues so as to decrease the annual cash deficit resulting from the operation of the postal services. This office has no records from which to determine the extent the increased rates would result in the reduction of such deficit. However, in addition to the increased revenues, the bill also would have the effect of increasing certain expenditures, since the increased rates resulting in increased gross postal receipts will require adjustments in the class of some post offices and increases in the rate of compensation and the allowances of postmasters and certain other employees whose compensation or allowances are based on the annual receipts of their offices. (See 39 U. S. C. 858.)

The enactment of S. 1046 will present no particular accounting or auditing difficulties and, therefore, this Office has no objection to the enactment thereof.

Sincerely yours,

LINDSAY C. WARREN,  
Comptroller General of the United States.

OFFICE OF THE POSTMASTER GENERAL,  
Washington 25, D. C., August 16, 1951.

HON. OLIN D. JOHNSTON,  
Chairman, Committee on Post Office and Civil Service,  
United States Senate.

DEAR MR. CHAIRMAN: This will acknowledge your letter of August 14 enclosing a revised copy of S. 1046 in the form in which it was ordered reported to the Senate by your committee on the same date, and pursuant to your request the following comments on the revised bill are submitted for consideration.

It is noted that the bill provides for an increase in the rate on postal and post cards from 1 to 2 cents each as recommended by the Department and that the amendment embodied in the committee print of the bill dated July 19 which would have excepted postal and post cards from the increase when sent by nonprofit charitable, religious, temperance, and philanthropic organizations has been eliminated as recommended by me at the time I appeared before your committee on August 2, 1951. This action is desirable and in the interest of efficient and economical administration.



With respect to the second-class mail provisions of the revised bill as ordered reported to the Senate, I can only reiterate the statements made before your committee by me as to the inadequacy of the increase in second-class rates provided in the bill. This class of mail is currently handled at a loss of approximately \$200,000,000 a year. During the fiscal year 1950 more than 6 billion pieces of newspapers and other periodical publications weighing  $2\frac{1}{4}$  billion pounds were mailed at the publishers' subsidized rates, the postage paid thereon amounting to only \$41,280,000. The graduated increase of 10 percent a year over a period of 3 years of the postage presently paid on these mailings will produce only an insignificant amount of additional revenue in relation to the tremendous loss in handling this class of matter. Because of the many exemptions from any increase which the bill provides, the additional revenue for the first year would amount to less than \$4,000,000 and after the full 3-year period, or 30 percent total increase, the additional revenue would amount to not more than \$11,000,000. Truly, this is a most unrealistic approach to the need for a substantial upward revision of rates on a class of mail which has had no real readjustment of rates for more than 25 years and which is responsible for more than one-third of the postal deficit.

It is noted that S. 1046 as revised embodies an amendment which would exempt the publications of nonprofit "service clubs" from any increase. This would not only further reduce the amount of additional revenue which the legislation is designed to produce but it would further complicate the already difficult classification of newspapers and periodical publications enjoying the second-class mailing privileges and present serious administrative difficulties in determining whether the many publications for which the benefit of the special privilege would be sought are entitled thereto.

It is firmly believed that the Department's recommendation last February of a 100-percent increase in the rates for second-class matter, to be accomplished by increases of 50, 25, and 25 percent, spread over a period of 3 years, represents the minimum increases which can be justified in view of the facts cited and the great need for a reduction of the postal deficit. It cannot be overlooked that the unsound situation existing in regard to second-class mail is most likely to be materially worsened as a result of pending legislation for increasing the salaries of postal personnel and other increased costs for transportation of the mails, etc., facing the Department.

Although it was understood that your committee had decided at its meeting on August 2, after considerable discussion, to eliminate the provision which would exempt third-class matter from any increase in rates when mailed by nonprofit, religious, educational, scientific, temperance, philanthropic, agricultural, labor, veterans, or fraternal organizations or associations, such exemption is retained in S. 1046 as revised and ordered reported to the Senate. It is also noted that "service clubs" have been added to the groups of organizations which would be entitled to such special privilege.

Here is a class of mail which, like that of the second class, is handled at a tremendous loss. In the fiscal year 1950, 10,342,921,000 pieces of third-class mail weighing 646,197,000 pounds were handled. The revenue therefrom amounted to \$153,746,000 while the apportioned expenditures amounted to \$289,618,000 or an excess of expenditures over revenues of \$135,872,000. This excess or loss in handling third-class mail is more than twice the amount of the air-mail subsidy. In its recommendations to the Congress last February for postal-rate revision the Department recommended a minimum rate of 2 cents per piece on all types of this mail. S. 1046 provides for a minimum charge of  $1\frac{1}{4}$  cents per piece on bulk mailings for the first year and  $1\frac{1}{2}$  cents per piece effective 1 year thereafter.

It is estimated that the rates provided by the bill would produce only around \$17,000,000 the first year and \$34,000,000 a year thereafter. These figures make no allowance for the amount of potential revenue which would be lost through the proposed exemptions from any increased rates of third-class matter mailed by the various groups of organizations named in the bill. Considering the annual loss of almost \$136,000,000 incurred in handling third-class mail, the proposed minimum rates of  $1\frac{1}{4}$  and  $1\frac{1}{2}$  cents per piece would continue an annual loss of more than \$100,000,000 on such matter.

Not only would the bill fail to accomplish any worth-while revision of the postage rates on third-class mail, but as was explained to your committee at its meeting on August 2, 1951, the special privileges which would be granted in the way of exemptions from any increase of matter mailed by the numerous favored groups of mailers would be exceedingly difficult, if not impossible, to administer and constitute a discrimination which could hardly be justified. The number of

individual organizations and groups seeking the preferential rates would be practically unlimited and the determination of their right to such privilege and the acceptance of their mailings under a system of permits which would necessarily be entailed would involve much work and expense. What has been said herein regarding the extension of the special second-class mailing privileges to service clubs applies with equal force to their inclusion in the preferred groups of third-class mailers.

One of the most frequent complaints made by businessmen and the general public is the receipt of unwanted circulars and other advertising matter in large quantities which clutter up their mail boxes and is regarded by them as an economic waste as much of this matter is thrown away without being opened. Obviously the preferential rates which such matter would continue to enjoy under S. 1046 would not afford any relief from the condition complained of.

In the light of the foregoing it is the Department's feeling that the provisions of the revised bill with respect to third-class mail referred to should not be enacted into law but that a more realistic and substantial revision of the third class rates should be adopted.

S. 1046 as revised embodies as an amendment the provisions of S. 1369 providing for the readjustment of the postage rates on fourth-class (parcel post) matter. It is understood that this was done because of the feeling on the part of your committee that the matter of adjusting postage rates, including fourth-class or parcel post rates, is one for the determination of the Congress.

Certainly there can be no question with respect to such feeling and the Department has no objections to the exercise of this function by the Congress. Nevertheless, the fact is that Congress by the inclusion of a provision in chapter IV, Post Office Department section of the act "making supplemental appropriations for the fiscal year ending June 30, 1951, and for other purposes" (H. R. 5926, approved September 27, 1950, Public Law 843) directed the Postmaster General to request the consent of the Interstate Commerce Commission "to the establishment of such rate increases \* \* \* as may be necessary to insure the receipt of revenue from fourth-class mail service sufficient to pay the cost of such service \* \* \*."

Pursuant to such direction the Postmaster General on October 13, 1950, requested the consent of the Commission to the revision of postage rates for fourth-class matter in accordance with the schedule submitted on that date, these rates on the basis of the costs at that time being sufficient to make the parcel post service pay its way. After extended hearings the Commission consented to the establishment of the proposed rates and accordingly Postmaster General's Order No. 46380, dated June 1, 1951, was issued for the purpose of placing the revised rates in effect on October 1, 1951. A reprint of the order is attached.

It will be noted that the order provides for increases in the regular parcel post zone rates and rates on catalogs. It is estimated that based on the 1950 volume of regular parcel-post mail and catalogs these rates will produce approximately \$99,000,000 additional revenue and that on the basis of the prevailing costs at the time of the submission of the Department's request to the Commission such amount would make this service pay its cost. The rates provided in S. 1369 and embodied in S. 1046 would produce only about \$63,000,000 on an annual basis, far less than the amount necessary to balance the parcel post revenues and expenditures. Furthermore, the proposed revision makes no allowance for the additional costs which may result from the enactment of legislation providing for increases in postal salaries and other imminent increases in the expense of operating the service.

It is understood that representations have been made to your committee to the effect that the rates which the Department submitted to the Interstate Commerce Commission, and to the establishment of which the latter have consented, are too low in the distant zones and too high in the nearby zones and consequently discriminate against shippers who maintain only one plant and mail parcels to all zones whereas other shippers having numerous plants throughout the country from which they mail their parcels enjoy the benefit of the lower rates to nearby zones. There is no sound basis for such charge of alleged discrimination. In determining the rates which the Department submitted to the Commission, consideration was given to the then current costs of handling parcels of different weights in the respective zones and the rates approved by the Commission are believed to reflect as nearly as practicable the costs of handling parcels in the different zones. This feature was discussed at considerable length during the hearings before the Interstate Commerce Commission and in its findings the Commission did not adopt the views presented by the witnesses who urged that the readjustment of



the fourth-class rates be made on the basis advocated by such witnesses; that is, by establishing lower rates in the distant zones and higher rates in the nearer zones.

In view of all the facts and circumstances it is obvious that the fourth-class rates embodied in revised S. 1046 will be inadequate to meet the cost of the parcel post service. Therefore, if they are adopted and the anticipated increases in the cost of operating the postal service materialize, it will be necessary to recommend to the Congress further increases in the fourth-class rates. In view of this it would seem desirable that higher rates be established by the pending legislation and thus provide as soon as practicable the additional revenue which is so greatly needed now while the Government is so greatly pressed for funds to effectuate the national defense.

Section 12 of S. 1046 reads as follows:

"The order of the Postmaster General, dated April 17, 1950, curtailing delivery and other essential postal services, is hereby rescinded, and the Postmaster General is hereby directed to maintain such services on the basis existing immediately prior to the issuance of such order of April 17, 1950, until otherwise provided by the Congress."

I would like to call your attention to the fact that this proposal to rescind the order of April 17, 1950, carries no appropriation for the restoration of the service. I would also like to point out that at least four times since the close of World War II the subcommittee of the Appropriations Committee in the House has indicated that the deliveries in the residential sections of cities where the delivery service has been established could be reduced with sizable savings to the taxpayers. On each occasion when this subject was discussed with the members of the subcommittee, I expressed opposition to reducing deliveries in residential sections from two to one. However, when I appeared before the Subcommittee on Appropriations in the House of Representatives on January 16, 1950, this particular matter was brought up again under the subject of feasibility of curtailing operations to effect economies. I again opposed the reduction in deliveries in residential sections from two to one and this testimony may be found beginning on page 433 in part 2 of the printed hearings before this subcommittee.

In reporting out the appropriation bill for the Post Office Department, which was included in the omnibus bill, the members of the subcommittee included this statement in report No. 1797, general appropriation bill 1951, under date of March 21, 1950, and beginning on page 75:

"The committee has discussed with the Postmaster General certain proposals for effecting economies, and realize that probably all of the suggestions made will provoke some complaints from one source or another. Nevertheless, the financial condition of the United States Treasury is such that every step possible must be taken to save money. The committee believes that sizable savings could be made by a reduction of the number of deliveries per day to many areas, particularly on those routes serving residential areas exclusively. Residential areas receive from one to three deliveries a day; rural patrons receive one delivery a day. The committee urges the Postmaster General to provide for the rearrangement of city delivery service so as to reduce the number of deliveries wherever possible."

The reduction in the amount requested for the Post Office Department totaled about \$70 million. The bureau of the Budget had reduced the amount requested by \$42 million and the Congress reduced it another \$28 million. Included in the appropriation bill was a proviso to the effect that any official who obligated the expenditure of more money than had been appropriated in the bill may be removed and may be prosecuted. This proviso merely included in the omnibus bill the antideficiency law which has been in effect many years and still is in effect which prohibits any official from creating obligations in excess of the amount appropriated.

In passing the appropriation bill for the Post Office Department not a single objection was made to the reduction in the appropriation bill or to the request of the Subcommittee on Appropriations in the House for the readjustment of the service. Before the omnibus bill passed the House, two amendments were approved by a sizable majority, one of which would have the effect of reducing the appropriations for the Post Office Department by 10 percent, or approximately \$120 million, and the other would permit the filling of only one vacancy out of every four that occurred during the fiscal year. These two amendments were eliminated in the Senate but the amount to be saved by the readjustment of the service was not restored.

There is no money included in the appropriations for the Post Office Department for the current fiscal year for the restoration of this service and in the event section

12 of S. 1046 becomes law, it would be ineffective until and unless money was appropriated for the restoration of the service.

In readjusting the service so that we could operate on the amount of money appropriated by the Congress, it was necessary that we reduce the expenditures by at least \$70 million per annum. That was accomplished through the order of April 17, 1950.

The annual savings effected through reducing deliveries from two to one in residential sections last year were approximately \$44 million. Throughout the year we continued to extend delivery service to all suburban areas of large cities which was essential or else these patrons would have had no service at all. During the year extensions of city delivery service have been made to approximately 1,200,000 new units at an annual cost of a little more than \$8 million.

It is presumed that the Congress will enact legislation to increase the salaries of postal employees, as bills for that purpose have been reported out of the Post Office and Civil Service Committees in both Houses. The cost of either one of these bills will approximate \$250 million on an annual basis. It provides salary increases for each postal employee and, therefore, in the restoration of the service it would mean that in the employment of additional personnel to accomplish this we would have to pay approximately \$400 per annum to each such employee over and above the salary received at the time the service was curtailed. Therefore, the cost of restoring this service, taking into consideration the number of increases made in extending city delivery and the increases in salaries as provided in the bills now under consideration, would run somewhere between 125 and 150 million dollars per annum.

If it be the sense of Congress that there should be restoration of the service due to the readjustments made in connection with my order of April 17, 1950, then the Congress should appropriate the money for this purpose, as under the anti-deficiency law I would be prohibited from obligating this expenditure until the money had been appropriated for that purpose.

Sincerely yours,

J. M. DONALDSON,  
*Postmaster General.*



	Revenue	Apportioned expenditure	Excess of expenditure over revenue	Excess of revenue over expenditure	Estimated increase in revenue under S. 1046
First-class mail:					
Postals and postcards	\$44, 136, 869	\$117, 790, 283	\$73, 653, 414		\$44, 136, 869
Sealed letters and sealed parcels	741, 151, 364	660, 728, 030		\$80, 423, 334	200, 863, 848
Domestic air mail	74, 120, 038	109, 621, 905	35, 501, 867		16, 768, 887
Second-class mail:					
Publishers' (paid)	41, 391, 655	220, 616, 385	179, 224, 730		1 3, 500, 000
Transient	2, 764, 165	3, 690, 372	926, 207		789, 000
Publishers' forwarded or returned	847, 735	1, 295, 518	447, 783		
Third-class mail	153, 745, 942	289, 618, 283	135, 872, 341		2 17, 937, 897
Fourth-class mail	403, 768, 375	480, 907, 362	77, 138, 987		63, 011, 000
Special services:					
Registered mail	26, 475, 786	38, 648, 860	12, 173, 074		10, 583, 000
Insured mail	22, 214, 133	21, 523, 081		691, 052	809, 000
C. o. d. mail	18, 958, 315	26, 568, 158	7, 609, 843		7, 461, 000
Special delivery mail	22, 676, 422	32, 463, 875	9, 787, 453		7, 500, 000
Total	1, 552, 250, 799	2, 003, 472, 112	532, 335, 699	81, 114, 386	373, 360, 501

Estimated increase, first year, from S. 1046 and Post Office Department action-----		375,946,501
Estimated additional increase, second year, from S. 1046:		
Second-class mail-----	\$3,500,000	
Third-class mail-----	17,249,557	
		20,749,557
Estimated additional increase, third year, second-class mail-----		3,500,000

<sup>1</sup> Estimated increase in second-class mail is for first year; there would be an additional estimated increase the second year of \$3,500,000; and an additional estimated increase the third year of \$3,500,000. The reduction from \$4,139,165 (10 percent of present revenue, second-class mail) to \$3,500,000 is caused by the decrease in estimated revenue resulting from the provisos in the bill retaining present rates on mailings by certain nonprofit organizations and of publications designed for classroom or religious instruction.

<sup>2</sup> Estimated increase in third-class mail is for first year; there would be an estimated increase for the second year of an additional \$17,249,557. There is no data available to the committee on which to estimate reduction in estimates for either the first or second year by reason of the amendment to retain present rate for certain nonprofit organizations.

NOTE.—Above, estimated figures and estimates referred to elsewhere in this report, unless otherwise stated, are based on the Post Office Cost Ascertained Report for fiscal year 1950. No attempt has been made to adjust these estimates to estimated increase or decrease in volume since 1950.

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, S. 1046, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

(b) The rate of postage on matter of the fourth class shall be as follows:

(1) On all matter mailed at the post office from which a rural route starts, for delivery on such route, or mailed at any point on such route for delivery at any other point thereon, or at the office from which the route starts, or on any rural route starting therefrom, and on all matter mailed at a city-carrier office, or at any point within its delivery limits, for delivery by carriers from that office, or at any office for local delivery, the postage shall be **[10]** 15 cents for the first pound or fraction thereof, *2 cents for the second pound or fraction thereof*, **[1 cent]** *1¼ cents* for each additional pound or fraction thereof up to and including ten pounds, and three-fourths cent for each pound or fraction thereof exceeding ten pounds.

(2) For delivery within the first and second zones, except as provided for in paragraph (1), and except when the distance by the shortest regular mail route from the office of origin to the office of delivery is three hundred miles or more in which case the rates of postage shall be the same as for delivery within the third zone, [12] 17 cents for the first pound or fraction thereof, [2½] 3 cents for each additional pound or fraction thereof up to and including ten pounds, and [2] 2½ cents for each pound or fraction thereof exceeding ten pounds.

(3) For delivery within the third zone, [13] 17 cents for the first pound or fraction thereof, 4 cents for the second pound or fraction thereof, [3] 3½ cents for each additional pound or fraction thereof up to and including ten pounds, and [2½] 2½ cents for each pound or fraction thereof exceeding ten pounds.

(4) For delivery within the fourth zone, [14] 18 cents for the first pound or fraction thereof, 5 cents for the second pound or fraction thereof, 4½ cents for each additional pound or fraction thereof up to and including ten pounds, and [4½] 3½ cents for each pound or fraction thereof exceeding ten pounds.

(5) For delivery within the fifth zone, [15] 19 cents for the first pound or fraction thereof, 7 cents for the second pound or fraction thereof, 6 cents for each additional pound or fraction thereof up to and including ten pounds, and 5½ cents for each pound or fraction thereof exceeding ten pounds.

(6) For delivery within the sixth zone, [16] 20 cents for the first pound or fraction thereof, 10 cents for the second pound or fraction thereof, 7½ cents for each additional pound or fraction thereof up to and including ten pounds, and 7¼ cents for each pound or fraction thereof exceeding ten pounds.

(7) For delivery within the seventh zone, [17] 21 cents for the first pound or fraction thereof, 11 cents for the second pound or fraction thereof, [9½] 10 cents for each additional pound or fraction thereof up to and including ten pounds, and 9¼ cents for each pound or fraction thereof exceeding ten pounds.

(8) For delivery within the eighth zone, [18] 22 cents for the first pound or fraction thereof, 12 cents for the second pound or fraction thereof, 11½ cents for each additional pound or fraction thereof up to and including ten pounds, and [11¼] 10¼ cents for each pound or fraction thereof exceeding ten pounds.

(9) On parcels measuring more than eighty-four inches but not more than one hundred inches in length and girth combined, the minimum postage charge shall be the zone charge applicable to a ten-pound parcel.

(c) Catalogs and similar printed advertising matter in bound form weighing more than eight ounces but not exceeding ten pounds shall be subject to postage rates based on the eight parcel-post zones as follows:

(1) When mailed at the post office from which a rural route starts, for delivery on such route, or mailed at any point on such route for delivery at [any other point thereon, or at] the office from which the route starts, or on any rural route starting therefrom, and when mailed at a city-carrier office, or at any point within its delivery limits, for delivery by carriers from that office, or at any office for local delivery, the postage shall be [7½] 8 cents for the first pound or fraction thereof and 1 cent for each additional pound.

(2) For delivery within the first and second zones, except as provided for in paragraph (1), and except when the distance by the shortest regular mail route from the office of origin to the office of delivery is three hundred miles or more in which case the rates of postage shall be the same as for delivery within the third zone, [8] 9 cents for the first pound or fraction thereof and 1½ cents for each additional pound or fraction thereof.

(3) For delivery within the third zone, [9] 10 cents for the first pound or fraction thereof and [2] 2½ cents for each additional pound or fraction thereof.

(4) For delivery within the fourth zone, [10] 11 cents for the first pound or fraction thereof and [2½] 3 cents for each additional pound or fraction thereof.

(5) For delivery within the fifth zone, [12] 13 cents for the first pound or fraction thereof and [3] 4 cents for each additional pound or fraction thereof.

(6) For delivery within the sixth zone, [13] 14 cents for the first pound or fraction thereof and [4] 5 cents for each additional pound or fraction thereof.

(7) For delivery within the seventh zone, **14** 15 cents for the first pound or fraction thereof and **5** 6 cents for each additional pound or fraction thereof.

(8) For delivery within the eighth zone, **15** 16 cents for the first pound or fraction thereof and **6** 7 cents for each additional pound or fraction thereof.







82D CONGRESS  
1ST SESSION

# S. 1046

[Report No. 694]

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## IN THE SENATE OF THE UNITED STATES

MARCH 6 (legislative day, JANUARY 29), 1951

Mr. JOHNSTON of South Carolina (by request) introduced the following bill; which was read twice and referred to the Committee on Post Office and Civil Service

AUGUST 21 (legislative day, AUGUST 1), 1951

Reported by Mr. JOHNSTON of South Carolina, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

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## A BILL

To readjust postal rates.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 ~~FIRST-CLASS MAIL~~

4 SECTION 1. ~~(a)~~ The rate of postage on postal cards  
5 ~~(including the cost of their manufacture)~~ and on private  
6 mailing or post cards conforming to the conditions pre-  
7 scribed by the ~~Act~~ entitled "An Act to amend the postal  
8 laws relating to the use of postal cards", approved May 19,  
9 1898 (U. S. C., title 39, sec. 281), shall be 2 cents each:  
10 *Provided,* That the rate on each portion of double postal  
11 cards issued and sold under the provisions of the Act of

1 March 3, 1879 (ch. 180, 20 Stat. 362; U. S. C., title 39;  
2 sec. 358), shall be 2 cents.

3 (b) Except as provided in paragraph (a) of this sec-  
4 tion the rate of postage on mail matter of the first class  
5 when mailed for local delivery at post offices where free  
6 delivery by carrier is not established and when the matter  
7 is not collected or delivered by rural or star route carriers,  
8 shall be 2 cents for each ounce or fraction thereof.

9 SECOND-CLASS MAIL

10 SEC. 2. (a) In the case of publications entered as second-  
11 class matter (including sample copies to the extent of 10  
12 per centum of the weight of copies mailed to subscribers  
13 during the calendar year) when mailed by the publisher  
14 thereof from the post office of publication and entry or other  
15 post office where such entry is authorized, or when mailed by  
16 news agents (registered as such under regulations prescribed  
17 by the Postmaster General) to actual subscribers thereto or  
18 to other news agents for the purpose of sale, the total postage  
19 computed at the pound rates in effect under existing law and  
20 based on the bulk weight of each mailing shall be increased  
21 by 50 per centum, beginning on the first day of the second  
22 quarter beginning after the approval of this Act and by an  
23 increase of 25 per centum, based on the rates now in force,  
24 to take effect each year thereafter over a period of two  
25 years: *Provided*, That publications having over 75 per

1 centum advertising in more than one-half of their issues  
2 during any twelve months' period shall not be accepted for  
3 mailing as second-class matter and their entry shall be  
4 revoked.

5       (b) The free-in-county mailing privilege and the rates  
6 of postage on copies of publications of the second class when  
7 addressed for delivery within the county in which they are  
8 published and entered as such shall be the same as authorized  
9 by existing law: *Provided further*, That copies of a publica-  
10 tion mailed at a post office where it is entered, for delivery  
11 by letter carriers at a different post office within the delivery  
12 limits of which the headquarters or general business office of  
13 the publisher is located, shall be chargeable with postage at  
14 the rate that would be applicable if the copies were mailed  
15 at the latter office, unless postage chargeable at the pound  
16 rates from the office of mailing is higher, in which case such  
17 higher rates shall apply.

18       (c) In no case, except where the free-in-county mailing  
19 privilege is applicable, shall the postage on each individually  
20 addressed copy be less than one-eighth of 1 cent.

21       (d) The rate of postage on copies of publications having  
22 second-class entry mailed by others than the publishers or  
23 authorized news agents, sample copies mailed by the pub-  
24 lishers in excess of the 10 per centum allowance entitled to  
25 be sent at the pound rates, and copies mailed by the pub-



lishers to persons who may not be included in the required legitimate list of subscribers, shall be 2 cents for the first two ounces and 1 cent for each additional two ounces or fraction thereof, except when the postage at the rates prescribed for fourth-class matter is lower, in which case the latter rates shall apply, computed on each individually addressed copy or package of unaddressed copies, and not on the bulk weight of the copies and packages.

THIRD-CLASS MAIL

SEC. 3. The rate of postage on third-class matter shall be 2 cents for the first two ounces or fraction thereof and 1 cent for each additional ounce or fraction thereof up to and including eight ounces in weight, except that the rate of postage on books and catalogs of twenty-four pages or more, seeds, cuttings, bulbs, roots, scions, and plants not exceeding eight ounces in weight shall be 2 cents for the first two ounces or fraction thereof and  $1\frac{1}{2}$  cents for each additional two ounces or fraction thereof: *Provided*, That under such regulations as the Postmaster General may establish for the collection of the lawful revenue and for facilitating the handling of such matter in the mails, it shall be lawful to accept for transmission in the mails, separately addressed identical pieces of third-class matter in quantities of not less than twenty pounds, or of not less than two hundred pieces, subject to pound rates of postage applicable to



1 the entire bulk mailed at one time: *Provided further*, That  
2 the rate of postage on third-class matter mailed in bulk under  
3 the foregoing provision shall be 14 cents for each pound or  
4 fraction thereof with a minimum charge per piece of 2 cents,  
5 except that in the case of books and catalogs of twenty-four  
6 pages or more, seeds, cuttings, bulbs, roots, scions, and  
7 plants the rate shall be 10 cents for each pound or fraction  
8 thereof with a minimum charge per piece of 2 cents.

#### 9 SPECIAL DELIVERY

10 SEC. 4. Mail of any class shall be given the most expe-  
11 ditious handling and transportation practicable and immedi-  
12 ate delivery at the office of address when, in addition to the  
13 regular postage, a special-delivery fee is prepaid thereon by  
14 means of special-delivery stamps or ordinary postage stamps,  
15 or in such other manner as the Postmaster General may pre-  
16 scribe, in accordance with the following schedule: Matter  
17 weighing not more than two pounds, if of the first class, 23  
18 cents; if of any other class, 35 cents. Matter weighing more  
19 than two but not more than ten pounds, if of the first class,  
20 35 cents; if of any other class, 45 cents. Matter weighing  
21 more than ten pounds, if of the first class, 50 cents; if of any  
22 other class, 60 cents.

#### 23 REGISTERED MAIL

24 SEC. 5. (a) Mail matter shall be registered on the ap-  
25 plication of the party posting the same. The registry fees,

1 which shall be in addition to the regular postage, and the  
2 limits of indemnity therefor within the maximum indemnity  
3 provided by this subsection, shall be as follows:

4 For articles having no intrinsic value and for which no  
5 indemnity is payable, 30 cents;

6 For registry indemnity not exceeding \$5, 40 cents;

7 For registry indemnity exceeding \$5 but not exceeding  
8 \$25, 55 cents;

9 For registry indemnity exceeding \$25 but not exceeding  
10 \$50, 65 cents;

11 For registry indemnity exceeding \$50 but not exceeding  
12 \$75, 75 cents;

13 For registry indemnity exceeding \$75 but not exceed-  
14 ing \$100, 85 cents;

15 For registry indemnity exceeding \$100 but not exceed-  
16 ing \$200, 95 cents;

17 For registry indemnity exceeding \$200 but not exceed-  
18 ing \$300, \$1.05;

19 For registry indemnity exceeding \$300 but not exceed-  
20 ing \$400, \$1.15;

21 For registry indemnity exceeding \$400 but not exceed-  
22 ing \$500, \$1.25;

23 For registry indemnity exceeding \$500 but not exceed-  
24 ing \$600, \$1.35;

1 For registry indemnity exceeding \$600 but not exceed-  
2 ing \$700, \$1.45;

3 For registry indemnity exceeding \$700 but not exceed-  
4 ing \$800, \$1.55;

5 For registry indemnity exceeding \$800 but not exceed-  
6 ing \$900, \$1.65;

7 For registry indemnity exceeding \$900 but not exceed-  
8 ing \$1,000, \$1.75: *Provided*, That for registered mail hav-  
9 ing a declared value in excess of \$25 a registry fee of not  
10 less than 55 cents shall be paid.

11 (b) For registered mail or insured mail treated as reg-  
12 istered mail having a declared value in excess of the max-  
13 imum indemnity covered by the registry or insurance fee  
14 paid there shall be charged additional fees (known as "sur-  
15 charges") as follows: When the declared value exceeds the  
16 maximum indemnity covered by the registry or insurance  
17 fee paid by not more than \$50, 2 cents; by more than \$50  
18 but not more than \$100, 3 cents; by more than \$100 but  
19 not more than \$200, 4 cents; by more than \$200 but not  
20 more than \$400, 6 cents; by more than \$400 but not more  
21 than \$600, 7 cents; by more than \$600 but not more than  
22 \$800, 8 cents; by more than \$800 but less than \$1,000,  
23 10 cents; and if the excess of the declared value over the  
24 maximum indemnity covered by the registry or insurance



1 fee paid is \$1,000 or more, the additional fees for each  
 2 \$1,000 or part of \$1,000 on articles destined to points within  
 3 the several zones applicable to fourth-class matter shall be  
 4 as follows:

5 For local delivery or for delivery within the first zone,  
 6 12 cents;

7 For delivery within the second zone, 14 cents;

8 For delivery within the third zone, 16 cents;

9 For delivery within the fourth zone, 17 cents;

10 For delivery within the fifth or sixth zones, 18 cents;

11 For delivery within the seventh or eighth zones, 19  
 12 cents: *Provided*, That for registered mail or insured mail  
 13 treated as registered mail of such kind or character that  
 14 it may be carried at less than the maximum risk of loss in  
 15 the mails, the Postmaster General may prescribe rules for  
 16 determining upon what part of the declared value in excess  
 17 of the maximum indemnity covered by the registry or insur-  
 18 ance fee paid the additional fees shall be based.

#### 19 RETURN RECEIPTS FOR REGISTERED MAIL

20 SEC. 6. Whenever the sender of any registered mail shall  
 21 so request, and upon payment of a fee of 7 cents at the time  
 22 of mailing or of 15 cents subsequent to the time of mailing,  
 23 a receipt shall be obtained for such registered mail, showing  
 24 to whom and when the same was delivered, which receipt



shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided*, That upon payment of the additional sum of 24 cents at the time of mailing of any such registered mail, a receipt shall be obtained for such registered mail, showing to whom, when, and the address where the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided further*, That no refund shall be made of fees paid for return receipts for registered mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the postal service.

#### FEES FOR INSURED MAIL

SEC. 7. The fees for insurance, which shall be in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by this section, shall be as follows: 5 cents for indemnification not exceeding \$5; 10 cents for indemnification exceeding \$5 but not exceeding \$10; 15 cents for indemnification exceeding \$10 but not exceeding \$25; 20 cents for indemnification exceeding \$25 but not exceeding \$50; 30 cents for indemnification exceeding \$50 but not exceeding \$100; 35 cents for indemnification exceeding \$100 but not exceeding \$200.

## 1                   RETURN RECEIPTS FOR INSURED MAIL

2           SEC. 8. Whenever the sender of an insured article of  
3 mail on which other than the minimum fee was paid shall so  
4 request, and upon payment of a fee of 7 cents at the time of  
5 mailing or of 15 cents subsequent to the time of mailing, a  
6 receipt shall be obtained for such insured mail, showing to  
7 whom and when the same was delivered, which receipt shall  
8 be returned to the sender, and be received in the courts as  
9 prima facie evidence of such delivery: *Provided*, That upon  
10 payment of the additional sum of 24 cents at the time of  
11 mailing of any insured article of mail on which other than the  
12 minimum fee was paid, a receipt shall be obtained for such  
13 insured mail, showing to whom, when, and the address where  
14 the same was delivered, which receipt shall be returned to  
15 the sender, and be received in the courts as prima facie evi-  
16 dence of such delivery: *Provided further*, That no refund  
17 shall be made of fees paid for return receipts for insured mail  
18 where the failure to furnish the sender a return receipt or the  
19 equivalent is not due to the fault of the postal service.

## 20                   FEES FOR COLLECT-ON-DELIVERY MAIL

21           SEC. 9. The fees for collect-on-delivery service for sealed  
22 domestic mail matter of any class bearing postage at the  
23 first-class rate and for domestic third- and fourth-class mail  
24 matter shall, in addition to the regular postage and any other  
25 required fees, be as follows: 30 cents for collections and

1 indemnity not exceeding \$5; 40 cents for collections and  
2 indemnity exceeding \$5 but not exceeding \$10; 60 cents for  
3 collections and indemnity exceeding \$10 but not exceeding  
4 \$25; 70 cents for collections and indemnity exceeding \$25  
5 but not exceeding \$50; 80 cents for collections and indemnity  
6 exceeding \$50 but not exceeding \$100; 90 cents for collec-  
7 tions and indemnity exceeding \$100 but not exceeding \$150;  
8 \$1 for collections and indemnity exceeding \$150 but not  
9 exceeding \$200.

10 REGISTERED COLLECT-ON-DELIVERY MAIL

11 SEC. 10. (a) The fee for collect-on-delivery service for  
12 registered sealed domestic mail of any class bearing postage  
13 at the first-class rate shall, in addition to the regular postage  
14 and any other required fees, be 80 cents for collections and  
15 indemnity not exceeding \$10; \$1.10 for collections and in-  
16 demnity exceeding \$10 but not exceeding \$50; \$1.20 for  
17 collections and indemnity exceeding \$50 but not exceeding  
18 \$100; \$1.40 for collections and indemnity exceeding \$100  
19 but not exceeding \$200. The maximum amount of charges  
20 collectible on any registered sealed domestic collect-on-  
21 delivery article shall be \$200.

22 (b) When indemnity in excess of \$200 is desired, the  
23 fee for such registered sealed domestic collect-on-delivery  
24 mail shall, in addition to the regular postage and any other  
25 required fees, be \$1.50 for indemnity exceeding \$200 but not



1 exceeding \$300; \$1.60 for indemnity exceeding \$300 but  
2 not exceeding \$400; \$1.70 for indemnity exceeding \$400 but  
3 not exceeding \$500; \$1.80 for indemnity exceeding \$500 but  
4 not exceeding \$600; \$1.90 for indemnity exceeding \$600 but  
5 not exceeding \$700; \$2 for indemnity exceeding \$700 but  
6 not exceeding \$800; \$2.10 for indemnity exceeding \$800 but  
7 not exceeding \$1,000.

8       SEC. 11. (a) The Postmaster General is authorized to  
9 prescribe by regulation from time to time the fees which shall  
10 be charged by the postal service—

11           ~~(1)~~ for the registry of mail matter;

12           ~~(2)~~ for the insurance of mail matter, or other in-  
13 demnification of senders thereof for articles damaged or  
14 lost;

15           ~~(3)~~ for securing a signed receipt upon the delivery  
16 of registered or insured mail matter and returning such  
17 receipt to sender;

18           ~~(4)~~ for collect-on-delivery service;

19           ~~(5)~~ for special-delivery service;

20           ~~(6)~~ for special-handling service;

21           ~~(7)~~ for the issuance of money orders;

22           ~~(8)~~ for notice to publishers of undeliverable second-  
23 class mail, for notice of change of address, and for notice  
24 to addressee or sender of undeliverable third- or fourth-



1 class matter, or of undeliverable second-class matter  
2 mailed at the transient rate.

3 ~~(b)~~ Regulations issued by the Postmaster General under  
4 subsection ~~(a)~~ shall, to the extent prescribed therein, super-  
5 sede existing laws, regulations, and orders governing the  
6 fees for the services covered thereby.

7 SEC. 12. All existing laws or portions thereof, incon-  
8 sistent or in conflict with this Act, are hereby amended or  
9 repealed.

10 SEC. 13. This Act shall take effect on the first day of  
11 the third calendar month following the calendar month in  
12 which it is enacted, except the rates herein provided for  
13 second-class mail shall take effect on the first day of the  
14 second quarter beginning after the approval of this Act.

15 *FIRST-CLASS MAIL*

16 *SECTION 1. (a) Except as provided in subsections (b),*  
17 *(c), and (d), the rate of postage on all matter of the first*  
18 *class shall be 4 cents for the first ounce or fraction thereof and*  
19 *3 cents for each additional ounce or fraction thereof.*

20 *(b) The rate of postage on drop letters when mailed*  
21 *for local delivery at post offices where free delivery by carrier*  
22 *is not established and when they are not collected or delivered*  
23 *by rural or star-route carrier shall be 2 cents for each ounce*  
24 *or fraction thereof.*

(c) Except as provided in subsection (d), the rate of postage on postal cards (including the cost of their manufacture) and on private mailing or post cards conforming to the conditions prescribed by the Act entitled "An Act to amend the postal laws relating to the use of postal cards", approved May 19, 1898 (39 U. S. C. 281), shall be 2 cents each except that the rate on each portion of double postal cards issued and sold under the provisions of the Act of March 3, 1879 (39 U. S. C. 358), shall be 2 cents.

(d) The rate of postage on all domestic air mail as defined in the Act entitled "An Act to fix the rate of postage on domestic air mail, and for other purposes", approved August 14, 1946 (39 U. S. C. 462a), not exceeding 8 ounces in weight, shall, except in the case of postal cards and private mailing or post cards, be 8 cents for the first ounce or fraction thereof and 6 cents for each additional ounce or fraction thereof. The rate on postal cards and private mailing or post cards (conforming to the conditions prescribed by the Act entitled "An Act to amend the postal laws relating to use of postal cards", approved May 19, 1898 (39 U. S. C. 281), when sent by air mail shall be 5 cents each.

23 *SECOND-CLASS MAIL*

24 SEC. 2. (a) In the case of publications entered as second-  
25 class matter (including sample copies to the extent of 10

1 per centum of the weight of copies mailed to subscribers  
2 during the calendar year) when mailed by the publisher  
3 thereof from the post office of publication and entry or other  
4 post office where such entry is authorized, or when mailed by  
5 news agents (registered as such under regulations prescribed  
6 by the Postmaster General) to actual subscribers thereto or  
7 to other news agents for the purpose of sale, the total postage  
8 computed at the pound rates in effect under existing law and  
9 based on the bulk weight of each mailing shall be increased  
10 by 10 per centum, beginning on the first day of the second  
11 quarter beginning after the approval of this Act and by an  
12 increase of 10 per centum, based on the rates now in force,  
13 to take effect each year thereafter over a period of two  
14 years: Provided, That publications having over 75 per  
15 centum advertising in more than one-half of their issues  
16 during any twelve months' period shall not be accepted for  
17 mailing as second-class matter and their entry shall be  
18 revoked, except that for the purpose of this proviso only,  
19 a charge made solely for the publication of transportation  
20 schedules, fares, and related information shall not be con-  
21 strued as constituting a charge for advertising: Provided  
22 further, That the rate of postage on newspapers or periodicals  
23 maintained by and in the interests of religious, educational,  
24 scientific, temperance, philanthropic, agricultural, labor, vet-  
25 erans' or fraternal organizations or associations, or service



1 clubs, not organized for profit and none of the net income  
2 of which inures to the benefit of any private stockholder or  
3 individual, shall be  $1\frac{1}{2}$  cents per pound or fraction thereof,  
4 and the increases provided by this section shall not apply to  
5 such rate: And provided further, That existing rates shall  
6 continue in effect with respect to any religious, educational,  
7 temperance, or scientific publication designed specifically for  
8 use in school classrooms or in religious instruction classes.

9 (b) The free-in-county mailing privilege and the rates  
10 of postage on copies of publications of the second class when  
11 addressed for delivery within the county in which they are  
12 published and entered as such shall be the same as authorized  
13 by existing law: Provided further, That copies of a publica-  
14 tion mailed at a post office where it is entered, for delivery  
15 by letter carriers at a different post office within the delivery  
16 limits of which the headquarters or general business office of  
17 the publisher is located, shall be chargeable with postage at  
18 the rate that would be applicable if the copies were mailed  
19 at the latter office, unless postage chargeable at the pound  
20 rates from the office of mailing is higher, in which case such  
21 higher rates shall apply.

22 (c) In no case, except where the free-in-county mailing  
23 privilege is applicable, shall the postage on each individually  
24 addressed copy be less than one-eighth of 1 cent.

25 (d) The rate of postage on copies of publications having



1 *second-class entry mailed by others than the publishers or*  
 2 *authorized news agents, sample copies mailed by the pub-*  
 3 *lishers in excess of the 10 per centum allowance entitled to*  
 4 *be sent at the pound rates, and copies mailed by the pub-*  
 5 *lishers to persons who may not be included in the required*  
 6 *legitimate list of subscribers, shall be 2 cents for the first two*  
 7 *ounces and 1 cent for each additional two ounces or fraction*  
 8 *thereof, except when the postage at the rates prescribed for*  
 9 *fourth-class matter is lower, in which case the latter rates*  
 10 *shall apply, computed on each individually addressed copy*  
 11 *or package of unaddressed copies, and not on the bulk weight*  
 12 *of the copies and packages.*

### 13 *THIRD-CLASS MAIL*

14 *SEC. 3. The rate of postage on third-class matter shall be*  
 15 *2 cents for the first two ounces or fraction thereof and 1 cent*  
 16 *for each additional ounce or fraction thereof up to and in-*  
 17 *cluding eight ounces in weight, except that the rate of postage*  
 18 *on books and catalogs of twenty-four pages or more, seeds,*  
 19 *cuttings, bulbs, roots, scions, and plants not exceeding eight*  
 20 *ounces in weight shall be 2 cents for the first two ounces or*  
 21 *fraction thereof and  $1\frac{1}{2}$  cents for each additional two*  
 22 *ounces or fraction thereof: Provided, That upon payment*  
 23 *of a fee of \$10 for each calendar year or portion thereof and*  
 24 *under such regulations as the Postmaster General may estab-*

lish for the collection of the lawful revenue and for facilitating the handling of such matter in the mails, it shall be lawful to accept for transmission in the mails, separately addressed identical pieces of third-class matter in quantities of not less than twenty pounds, or of not less than two hundred pieces, subject to pound rates of postage applicable to the entire bulk mailed at one time: Provided further, That the rate of postage on third-class matter mailed in bulk under the foregoing provision shall be 14 cents for each pound or fraction thereof with a minimum charge per piece of  $1\frac{1}{4}$  cents, except that in the case of books and catalogs of twenty-four pages or more, seeds, cuttings, bulbs, roots, scions, and plants the rate shall be 10 cents for each pound or fraction thereof with a minimum charge per piece of  $1\frac{1}{4}$  cents: Provided further, That the minimum charge per piece of  $1\frac{1}{4}$  cents specified in the foregoing proviso shall be increased to  $1\frac{1}{2}$  cents one year after the effective date of the increases in rates made by this section: Provided further, That pieces or packages of such size or form as to prevent ready facing and tying in bundles and requiring individual distributing throughout shall be subject to a minimum charge of 3 cents each: And provided further, That the rates prescribed by this section shall not apply with respect to matter mailed by religious, educational, scientific, temperance, philanthropic, agricultural, labor, veterans', or fraternal organizations or

1 associations, or service clubs, not organized for profit and  
2 none of the net income of which inures to the benefit of any  
3 private stockholder or individual, and the existing rates shall  
4 continue to apply with respect to such matter.

5 *FOURTH-CLASS MAIL*

6 *SEC. 4. (a) Sections 204 (b) and (c) of the Postal*  
7 *Rate Revision and Federal Employees Salary Act of 1948*  
8 *are amended to read as follows:*

9 “(b) *The rate of postage on matter of the fourth class*  
10 *shall be as follows:*

11 “(1) *On all matter mailed at the post office from*  
12 *which a rural route starts, for delivery on such route,*  
13 *or mailed at any point on such route for delivery at*  
14 *any other point thereon, or at the office from which the*  
15 *route starts, or on any rural route starting therefrom,*  
16 *and on all matter mailed at a city-carrier office, or at any*  
17 *point within its delivery limits, for delivery by carriers*  
18 *from that office, or at any office for local delivery, the*  
19 *postage shall be 15 cents for the first pound or fraction*  
20 *thereof, 2 cents for the second pound or fraction thereof,*  
21 *1 $\frac{1}{4}$  cents for each additional pound or fraction thereof up*  
22 *to and including ten pounds, and three-fourths cent for*  
23 *each pound or fraction thereof exceeding ten pounds.*

24 “(2) *For delivery within the first and second*  
25 *zones, except as provided for in paragraph (1), and*



1        *except when the distance by the shortest regular mail*  
2        *route from the office of origin to the office of delivery*  
3        *is three hundred miles or more in which case the rates*  
4        *of postage shall be the same as for delivery within the*  
5        *third zone, 17 cents for the first pound or fraction*  
6        *thereof, 3 cents for each additional pound or fraction*  
7        *thereof up to and including ten pounds, and  $2\frac{1}{4}$  cents*  
8        *for each pound or fraction thereof exceeding ten pounds.*

9            *“(3) For delivery within the third zone, 17 cents*  
10        *for the first pound or fraction thereof, 4 cents for the*  
11        *second pound or fraction thereof,  $3\frac{1}{2}$  cents for each addi-*  
12        *tional pound or fraction thereof up to and including ten*  
13        *pounds, and  $2\frac{3}{4}$  cents for each pound or fraction thereof*  
14        *exceeding ten pounds.*

15            *“(4) For delivery within the fourth zone, 18 cents*  
16        *for the first pound or fraction thereof, 5 cents for the*  
17        *second pound or fraction thereof,  $4\frac{1}{2}$  cents for each addi-*  
18        *tional pound or fraction thereof up to and including ten*  
19        *pounds, and  $3\frac{1}{2}$  cents for each pound or fraction thereof*  
20        *exceeding ten pounds.*

21            *“(5) For delivery within the fifth zone, 19 cents for*  
22        *the first pound or fraction thereof, 7 cents for the second*  
23        *pound or fraction thereof, 6 cents for each additional*



*pound or fraction thereof up to and including ten pounds, and  $5\frac{1}{2}$  cents for each pound or fraction thereof exceeding ten pounds*

*“(6) For delivery within the sixth zone, 20 cents for the first pound or fraction thereof, 10 cents for the second pound or fraction thereof,  $7\frac{1}{2}$  cents for each additional pound or fraction thereof up to and including ten pounds, and  $7\frac{1}{4}$  cents for each pound or fraction thereof exceeding ten pounds.*

*“(7) For delivery within the seventh zone, 21 cents for the first pound or fraction thereof, 11 cents for the second pound or fraction thereof, 10 cents for each additional pound or fraction thereof up to and including ten pounds, and  $9\frac{1}{4}$  cents for each pound or fraction thereof exceeding ten pounds.*

*“(8) For delivery within the eighth zone, 22 cents for the first pound or fraction thereof, 12 cents for the second pound or fraction thereof,  $11\frac{1}{2}$  cents for each additional pound or fraction thereof up to and including ten pounds, and  $10\frac{1}{4}$  cents for each pound or fraction thereof exceeding ten pounds.*

*“(9) On parcels measuring more than eighty-four*

1        *inches but not more than one hundred inches in length*  
2        *and girth combined, the minimum postage charge shall*  
3        *be the zone charge applicable to a ten-pound parcel.*

4        *“(c) Catalogs and similar printed advertising matter in*  
5        *bound form weighing more than eight ounces but not exceed-*  
6        *ing ten pounds shall be subject to postage rates based on the*  
7        *eight parcel-post zones as follows:*

8            *“(1) When mailed at the post office from which a*  
9        *rural route starts, for delivery on such route, or mailed*  
10       *at any point on such route for delivery at the office from*  
11       *which the route starts, or on any rural route starting*  
12       *therefrom, and when mailed at a city-carrier office, or*  
13       *at any point within its delivery limits, for delivery by*  
14       *carriers from that office, or at any office for local delivery,*  
15       *the postage shall be 8 cents for the first pound or fraction*  
16       *thereof and 1 cent for each additional pound.*

17           *“(2) For delivery within the first and second zones,*  
18       *except as provided for in paragraph (1), and except*  
19       *when the distance by the shortest regular mail route*  
20       *from the office of origin to the office of delivery is three*  
21       *hundred miles or more in which case the rates of postage*  
22       *shall be the same as for delivery within the third zone,*  
23       *9 cents for the first pound or fraction thereof and 1½*  
24       *cents for each additional pound or fraction thereof.*

25           *“(3) For delivery within the third zone, 10 cents*

1     for the first pound or fraction thereof and  $2\frac{1}{2}$  cents for  
2     each additional pound or fraction thereof.

3             “(4) For delivery within the fourth zone, 11 cents  
4     for the first pound or fraction thereof and 3 cents for  
5     each additional pound or fraction thereof.

6             “(5) For delivery within the fifth zone, 13 cents  
7     for the first pound or fraction thereof and 4 cents for  
8     each additional pound or fraction thereof.

9             “(6) For delivery within the sixth zone, 14 cents  
10    for the first pound or fraction thereof and 5 cents for  
11    each additional pound or fraction thereof.

12            “(7) For delivery within the seventh zone, 15  
13    cents for the first pound or fraction thereof and 6 cents  
14    for each additional pound or fraction thereof.

15            “(8) For delivery within the eighth zone, 16 cents  
16    for the first pound or fraction thereof and 7 cents for each  
17    additional pound or fraction thereof.”

18    (b) Rates of postage prescribed by subsections (b) and  
19    (c) of section 204 of such Act, as amended by this Act,  
20    and existing rates of postage prescribed by subsections (d)  
21    to (f), inclusive, of such section shall remain in effect until  
22    otherwise provided by the Congress.

23                    SPECIAL DELIVERY

24            SEC. 5. Mail of any class shall be given the most expe-  
25    ditious handling and transportation practicable and immedi-



1 *ate delivery at the office of address when, in addition to the*  
 2 *regular postage, a special-delivery fee is prepaid thereon by*  
 3 *means of special-delivery stamps or ordinary postage stamps,*  
 4 *or in such other manner as the Postmaster General may pre-*  
 5 *scribe, in accordance with the following schedule: Matter*  
 6 *weighing not more than two pounds, if of the first class, 20*  
 7 *cents; if of any other class, 35 cents. Matter weighing more*  
 8 *than two but not more than ten pounds, if of the first class,*  
 9 *35 cents; if of any other class, 45 cents. Matter weighing*  
 10 *more than ten pounds, if of the first class, 50 cents; if of any*  
 11 *other class, 60 cents.*

#### 12 REGISTERED MAIL

13 *SEC. 6. (a) Mail matter shall be registered on the ap-*  
 14 *plication of the party posting the same. The registry fees,*  
 15 *which shall be in addition to the regular postage, and the*  
 16 *limits of indemnity therefor within the maximum indemnity*  
 17 *provided by this subsection, shall be as follows:*

18 *For articles having no intrinsic value and for which no*  
 19 *indemnity is payable, 30 cents;*

20 *For registry indemnity not exceeding \$5, 40 cents;*

21 *For registry indemnity exceeding \$5 but not exceeding*  
 22 *\$25, 55 cents;*

23 *For registry indemnity exceeding \$25 but not exceeding*  
 24 *\$50, 65 cents;*



1        *For registry indemnity exceeding \$50 but not exceeding*  
2   *\$75, 75 cents;*

3        *For registry indemnity exceeding \$75 but not exceed-*  
4   *ing \$100, 85 cents;*

5        *For registry indemnity exceeding \$100 but not exceed-*  
6   *ing \$200, 95 cents;*

7        *For registry indemnity exceeding \$200 but not exceed-*  
8   *ing \$300, \$1.05;*

9        *For registry indemnity exceeding \$300 but not exceed-*  
10   *ing \$400, \$1.15;*

11       *For registry indemnity exceeding \$400 but not exceed-*  
12   *ing \$500, \$1.25;*

13       *For registry indemnity exceeding \$500 but not exceed-*  
14   *ing \$600, \$1.35;*

15       *For registry indemnity exceeding \$600 but not exceed-*  
16   *ing \$700, \$1.45;*

17       *For registry indemnity exceeding \$700 but not exceed-*  
18   *ing \$800, \$1.55;*

19       *For registry indemnity exceeding \$800 but not exceed-*  
20   *ing \$900, \$1.65;*

21       *For registry indemnity exceeding \$900 but not exceed-*  
22   *ing \$1,000, \$1.75: Provided, That for registered mail hav-*  
23   *ing a declared value in excess of \$25 a registry fee of not*  
24   *less than 55 cents shall be paid.*

1       (b) *For registered mail or insured mail treated as reg-*  
2 *istered mail having a declared value in excess of the max-*  
3 *imum indemnity covered by the registry or insurance fee*  
4 *paid there shall be charged additional fees (known as “sur-*  
5 *charges”)* as follows: *When the declared value exceeds the*  
6 *maximum indemnity covered by the registry or insurance*  
7 *fee paid by not more than \$50, 2 cents; by more than \$50*  
8 *but not more than \$100, 3 cents; by more than \$100 but*  
9 *not more than \$200, 4 cents; by more than \$200 but not*  
10 *more than \$400, 6 cents; by more than \$400 but not more*  
11 *than \$600, 7 cents; by more than \$600 but not more than*  
12 *\$800, 8 cents; by more than \$800 but less than \$1,000,*  
13 *10 cents; and if the excess of the declared value over the*  
14 *maximum indemnity covered by the registry or insurance*  
15 *fee paid is \$1,000 or more, the additional fees for each*  
16 *\$1,000 or part of \$1,000 on articles destined to points within*  
17 *the several zones applicable to fourth-class matter shall be*  
18 *as follows:*

19       *For local delivery or for delivery within the first zone,*  
20 *12 cents;*

21       *For delivery within the second zone, 14 cents;*

22       *For delivery within the third zone, 16 cents;*

23       *For delivery within the fourth zone, 17 cents;*

24       *For delivery within the fifth or sixth zones, 18 cents;*

25       *For delivery within the seventh or eighth zones, 19*

1 cents: *Provided, That for registered mail or insured mail*  
2 *treated as registered mail of such kind or character that*  
3 *it may be carried at less than the maximum risk of loss in*  
4 *the mails, the Postmaster General may prescribe rules for*  
5 *determining upon what part of the declared value in excess*  
6 *of the maximum indemnity covered by the registry or insur-*  
7 *ance fee paid the additional fees shall be based.*

8           *RETURN RECEIPTS FOR REGISTERED MAIL*

9           *SEC. 7. Whenever the sender of any registered mail shall*  
10 *so request, and upon payment of a fee of 7 cents at the time*  
11 *of mailing or of 15 cents subsequent to the time of mailing,*  
12 *a receipt shall be obtained for such registered mail, showing*  
13 *to whom and when the same was delivered, which receipt*  
14 *shall be returned to the sender, and be received in the courts*  
15 *as prima facie evidence of such delivery: Provided, That*  
16 *upon payment of the additional sum of 24 cents at the time*  
17 *of mailing of any such registered mail, a receipt shall be*  
18 *obtained for such registered mail, showing to whom, when,*  
19 *and the address where the same was delivered, which receipt*  
20 *shall be returned to the sender, and be received in the courts*  
21 *as prima facie evidence of such delivery: Provided further,*  
22 *That no refund shall be made of fees paid for return receipts*  
23 *for registered mail where the failure to furnish the sender*  
24 *a return receipt or the equivalent is not due to the fault of*  
25 *the postal service.*



1 *FEEES FOR INSURED MAIL*

2 *SEC. 8. The fees for insurance, which shall be in addi-*  
3 *tion to the regular postage, and the limits of indemnity there-*  
4 *for within the maximum indemnity provided by this section,*  
5 *shall be as follows: 5 cents for indemnification not exceeding*  
6 *\$5; 10 cents for indemnification exceeding \$5 but not*  
7 *exceeding \$10; 15 cents for indemnification exceeding \$10*  
8 *but not exceeding \$25; 20 cents for indemnification exceed-*  
9 *ing \$25 but not exceeding \$50; 30 cents for indemnification*  
10 *exceeding \$50 but not exceeding \$100; 35 cents for indem-*  
11 *nification exceeding \$100 but not exceeding \$200.*

12 *RETURNED RECEIPTS FOR INSURED MAIL*

13 *SEC. 9. Whenever the sender of an insured article of*  
14 *mail on which other than the minimum fee was paid shall so*  
15 *request, and upon payment of a fee of 7 cents at the time of*  
16 *mailing or of 15 cents subsequent to the time of mailing, a*  
17 *receipt shall be obtained for such insured mail, showing to*  
18 *whom and when the same was delivered, which receipt shall*  
19 *be returned to the sender, and be received in the courts as*  
20 *prima facie evidence of such delivery: Provided, That upon*  
21 *payment of the additional sum of 24 cents at the time of*  
22 *mailing of any insured article of mail on which other than the*  
23 *minimum fee was paid, a receipt shall be obtained for such*  
24 *insured mail, showing to whom, when, and the address where*  
25 *the same was delivered, which receipt shall be returned to*



1 the sender, and be received in the courts as prima facie evi-  
2 dence of such delivery: Provided further, That no refund  
3 shall be made of fees paid for return receipts for insured mail  
4 where the failure to furnish the sender a return receipt or the  
5 equivalent is not due to the fault of the postal service.

6 FEES FOR COLLECT-ON-DELIVERY MAIL

7 SEC. 10. The fees for collect-on-delivery service for sealed  
8 domestic mail matter of any class bearing postage at the  
9 first-class rate and for domestic third- and fourth-class mail  
10 matter shall, in addition to the regular postage and any other  
11 required fees, be as follows: 30 cents for collections and  
12 indemnity not exceeding \$5; 40 cents for collections and  
13 indemnity exceeding \$5 but not exceeding \$10; 60 cents for  
14 collections and indemnity exceeding \$10 but not exceeding  
15 \$25; 70 cents for collections and indemnity exceeding \$25  
16 but not exceeding \$50; 80 cents for collections and indemnity  
17 exceeding \$50 but not exceeding \$100; 90 cents for collec-  
18 tions and indemnity exceeding \$100 but not exceeding \$150;  
19 \$1 for collections and indemnity exceeding \$150 but not  
20 exceeding \$200.

21 REGISTERED COLLECT-ON-DELIVERY MAIL

22 SEC. 11. (a) The fee for collect-on-delivery service for  
23 registered sealed domestic mail of any class bearing postage  
24 at the first-class rate shall, in addition to the regular postage  
25 and any other required fees, be 80 cents for collections and

1 indemnity not exceeding \$10; \$1.10 for collections and in-  
2 demnity exceeding \$10 but not exceeding \$50; \$1.20 for  
3 collections and indemnity exceeding \$50 but not exceeding  
4 \$100; \$1.40 for collections and indemnity exceeding \$100  
5 but not exceeding \$200. The maximum amount of charges  
6 collectible on any registered sealed domestic collect-on-  
7 delivery article shall be \$200.

8 (b) When indemnity in excess of \$200 is desired, the  
9 fee for such registered sealed domestic collect-on-delivery  
10 mail shall, in addition to the regular postage and any other  
11 required fees, be \$1.50 for indemnity exceeding \$200 but not  
12 exceeding \$300; \$1.60 for indemnity exceeding \$300 but  
13 not exceeding \$400; \$1.70 for indemnity exceeding \$400 but  
14 not exceeding \$500; \$1.80 for indemnity exceeding \$500 but  
15 not exceeding \$600; \$1.90 for indemnity exceeding \$600 but  
16 not exceeding \$700; \$2 for indemnity exceeding \$700 but  
17 not exceeding \$800; \$2.10 for indemnity exceeding \$800 but  
18 not exceeding \$1,000.

19 RESTORATION OF SERVICE

20 SEC. 12. The order of the Postmaster General, dated  
21 April 17, 1950, curtailing delivery and other essential postal  
22 services, is hereby rescinded, and the Postmaster General is  
23 hereby directed to maintain such services on the basis existing  
24 immediately prior to the issuance of such order of April 17,  
25 1950, until otherwise provided by the Congress.

1        *JOINT COMMITTEE ON POSTAL SERVICE*

2        *SEC. 13. (a) (1) there is hereby established a Joint*  
3        *Committee on the Postal Service (hereinafter referred to as*  
4        *the "joint committee"), to be composed of three members of*  
5        *the Committee on Post Office and Civil Service of the Senate,*  
6        *to be appointed by the President of the Senate, and three*  
7        *members of the Committee on Post Office and Civil Service*  
8        *of the House of Representatives, to be appointed by the*  
9        *Speaker of the House of Representatives.*

10        *(2) The joint committee shall select a chairman and*  
11        *vice chairman from among its members. Vacancies in the*  
12        *membership of the joint committee shall not affect the power*  
13        *of the remaining members to execute the functions of the*  
14        *joint committee, and shall be filled in the same manner*  
15        *as the original selection. A majority of the members of*  
16        *the joint committee, or any subcommittee thereof, shall*  
17        *constitute a quorum for the transaction of business, except*  
18        *that a lesser number, to be fixed by the joint committee,*  
19        *shall constitute a quorum for the purpose of taking sworn*  
20        *testimony.*

21        *(b) The joint committee, acting as a whole or by sub-*  
22        *committee, shall conduct a thorough study and investigation*  
23        *in respect of the following matters:*

24        *(1) Methods and means whereby the postal system can*  
25        *be developed and improved, economically and efficiently, so*



1 as to best promote social, commercial, and intellectual inter-  
2 course among the people in all parts of the United States at  
3 reasonable rates and charges.

4 (2) The extent, if any, to which Post Office Depart-  
5 ment expenditures, in excess of revenue, for its various serv-  
6 ices and for the handling of various classes of mail, are justi-  
7 fied as being in the public interest; taking into consideration  
8 that the United States postal system is a service of the  
9 National Government to all the people.

10 (3) The costs of handling, transporting, and distribut-  
11 ing the several classes of mail, and procedures whereby such  
12 costs can be reduced through improvements in methods and  
13 equipment.

14 (4) Postal rates and charges in relation to the reason-  
15 able cost of handling the several classes of mail matter and  
16 special services, with due allowances in each class for the  
17 care required, the degree of preferment, priority in handling,  
18 and economic value of the services rendered and the public  
19 interest served thereby.

20 (5) The extent to which expenditures now charged to  
21 the Post Office Department for the following items should be  
22 excluded in considering costs for the several classes of mail  
23 matter and special services:

24 (A) expenditures for free postal services;



1       (B) expenditures, in excess of revenues, for inter-  
2       national postal services;

3       (C) expenditures for subsidies for postal services  
4       pursuant to law or legislative policy of Congress;

5       (D) expenditures in excess of revenues, pursuant  
6       to the Act of June 5, 1930 (39 U. S. C. 793), not  
7       enumerated in the preceding subparagraphs (1), (2),  
8       (3), or (4);

9       (E) expenditures for services of any character not  
10      otherwise enumerated herein which may be performed  
11      for other departments and agencies of the Government;  
12      and

13      (F) expenditures which may be justified only on a  
14      national welfare basis and not primarily as a business  
15      function.

16      (6) The allocation and apportionment of income and  
17      expense for the various classes of mail and special services  
18      in the cost ascertainment system now in use by the Post  
19      Office Department, and such changes as may be desirable  
20      to provide more useful information in the consideration of  
21      rates and charges for the various classes of mail and special  
22      services.

23      (7) A plan for continuous cost analysis which will  
24      enable the Congress to determine the reasonableness of such

1 costs as compared to standards of efficiency and economy  
2 prevailing in private business enterprise.

3 (8) Such other matters as may be deemed pertinent  
4 and relevant to accomplish the objects and purposes of this  
5 section.

6 (c) (1) The joint committee shall appoint an ad-  
7 visory council (hereinafter referred to as the "council")  
8 to be composed of not more than twenty members, including  
9 representatives of the general public, representative users of  
10 the mails, members of accounting and management engineer-  
11 ing firms, postal experts, representatives of postal employee  
12 organizations, and, with special reference to rate-making in  
13 their fields, representatives of public transportation and dis-  
14 tribution organizations. Officials of the Post Office Depart-  
15 ment shall be offered appointments as members of the council.  
16 The council shall select a chairman from the group represent-  
17 ing the general public.

18 (2) The function of the council shall be to assist the  
19 joint committee in the studies and investigations authorized  
20 by this section. The council shall meet at such times and  
21 places as may be authorized by the joint committee.

22 (3) Members of the council who may be in the execu-  
23 tive branch of the Government shall each receive the com-  
24 pensation which he would have received if he were not a  
25 member of the council, plus such additional compensation, if

1 any (notwithstanding section 6 of the Act of May 10, 1916,  
2 as amended; 39 Stat. 582; 5 U. S. C. 58), as is necessary to  
3 make his aggregate salary \$12,500; and shall be reimbursed  
4 for travel, subsistence, and other necessary expenses incurred  
5 in the performance of the duties of the council. The mem-  
6 bers of the council from private life shall each receive \$50  
7 per diem when engaged in the performance of the duties of  
8 the council, plus reimbursement for travel, subsistence, and  
9 other necessary expenses incurred in the performance of such  
10 duties.

11 (d) (1) The joint committee, or any duly author-  
12 ized subcommittee thereof, is authorized (A) to hold such  
13 hearings; (B) to sit and act at such places and times; (C)  
14 to require by subpoena or otherwise, the attendance of such  
15 witnesses and the production of such books, papers, and  
16 documents; (D) to administer such oaths; (E) to take such  
17 testimony; (F) to procure such printing and binding; and  
18 (G) to make such expenditures, as it deems advisable. The  
19 cost of stenographic services to report such hearings shall  
20 not exceed 25 cents per hundred words. The provisions of  
21 sections 102 to 104, inclusive, of the Revised Statutes shall  
22 apply in the case of any failure of any witness to comply  
23 with a subpoena or to testify when summoned under authority  
24 of this section.

25 (2) The joint committee is authorized to appoint and



1 *fix the compensation of such personnel as it deems necessary*  
2 *to assist it in the performance of its functions. The joint*  
3 *committee may also contract for the services of accounting*  
4 *and management engineering firms to assist it in its functions,*  
5 *and employ part-time consultants, experts, and technicians*  
6 *at a per diem rate not in excess of \$50. Insofar as prac-*  
7 *ticable, the joint committee shall employ persons familiar with*  
8 *the operation of the postal service, accounting practices, or*  
9 *problems of public transportation and distribution with*  
10 *special reference to rate-making in those fields.*

11       (3) *The joint committee is authorized to secure directly*  
12 *from the Post Office Department, or from any postal field*  
13 *office, information, suggestions, estimates, and statistics, and*  
14 *the Post Office Department, or any field office, is authorized*  
15 *and directed to furnish such information, suggestions, esti-*  
16 *mates, and statistics directly to the joint committee upon*  
17 *request of the chairman or vice chairman.*

18       (e) *The joint committee shall report from time to time*  
19 *to the committees of the Senate and House of Representatives*  
20 *from which the membership of the joint committee was*  
21 *appointed, and shall submit its final report to the Senate and*  
22 *the House of Representatives not later than January 15,*  
23 *1953, the results of its study and investigation together with*  
24 *such recommendations as to necessary legislation as it may*



1 deem advisable. Upon the submission of such final report  
2 the committee shall cease to exist.

3 (f) There are hereby authorized to be appropriated  
4 such sums as may be necessary to carry out the purposes  
5 of this section, to be disbursed by the Secretary of the Senate  
6 on vouchers signed by the chairman or vice chairman of the  
7 joint committee.

#### 8 REPEAL OF EXISTING PROVISIONS

9 SEC. 14. All existing laws or portions thereof, incon-  
10 sistent or in conflict with this Act, are hereby amended or  
11 repealed.

#### 12 EFFECTIVE DATE

13 SEC. 15. This Act shall take effect on the first day of  
14 the third calendar month following the calendar month in  
15 which it is enacted, except the rates herein provided for  
16 second-class mail shall take effect on the first day of the  
17 second quarter beginning after the approval of this Act.

82<sup>d</sup> CONGRESS  
1<sup>ST</sup> SESSION

**S. 1046**

[Report No. 694]

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**A BILL**

To readjust postal rates.

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By Mr. JOHNSTON of South Carolina

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MARCH 6 (legislative day, JANUARY 29), 1951

Read twice and referred to the Committee on Post  
Office and Civil Service

AUGUST 21 (legislative day, AUGUST 1), 1951

Reported with an amendment





United States  
of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 82<sup>d</sup> CONGRESS, FIRST SESSION

Vol. 27

WASHINGTON, TUESDAY, AUGUST 21, 1951

No. 154

## Senate

(Legislative day of Wednesday, August 1, 1951)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. F. Norman Van Brunt, associate pastor, Foundry Methodist Church, Washington, D. C., offered the following prayer:

Almighty and Eternal God, our Father, we pause in this moment dedicated to the elevating of our thoughts and motives to Thy presence. Look upon them, we pray Thee, that, as we face this new day, we may be blest to use them to their fullest and best intent. We thank Thee that Thou hast set in our hearts a dream of life without futility, of faith without fear, of freedom without folly. Arise Thou within us as strength and healing and victory, overcoming all confusion of purpose, all haunting failure, and all that keeps us from the best to which Thou dost call us. In the dear Redeemer's name. Amen.

### THE JOURNAL

On request of Mr. McFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Monday, August 20, 1951, was dispensed with.

### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Miller, one of his secretaries.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 15) to amend section 215 of title 18 of the United States Code, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 2176. An act for the relief of the Fort Pierce Port District;

H. R. 3209. An act amending section 25 of the Tennessee Valley Authority Act of 1933, as amended;

H. R. 3299. An act to extend the times for commencing and completing the construction of a free bridge across the Rio Grande at or near Del Rio, Tex.;

H. R. 3436. An act authorizing vessels of Canadian registry to transport grain between United States ports on the Great Lakes during 1951;

H. R. 3585. An act to authorize and direct the Administrator of General Services to transfer to the Department of the Navy certain property located at Decatur, Ill.;

H. R. 3590. An act relating to the income-tax treatment of gain realized on an involuntary conversion of property;

H. R. 3937. An act to amend the act of June 28, 1943 (62 Stat. 1061), to provide for the operation, management, maintenance, and demolition of federally acquired properties following the acquisition of such properties and before the establishment of the Independence National Historical Park, and for other purposes;

H. R. 4014. An act to amend section 3121 of the Internal Revenue Code;

H. R. 4109. An act to amend section 73 of the Act of January 12, 1896, as amended, relating to the printing, binding, and distribution of the Statutes at Large, and sections 411, 412, and 413 of title 28, United States Code, relating to the printing, binding, and distribution of decisions of the Supreme Court of the United States, and for other purposes;

H. R. 4203. An act to ratify and confirm Act 7 of the Session Laws of Hawaii, 1951, extending the time within which revenue bonds may be issued and delivered under chapter 118, Revised Laws of Hawaii, 1945;

H. R. 4443. An act to prevent the entry of certain mollusks into the United States;

H. R. 5013. An act to authorize the President to proclaim regulations for preventing collisions at sea;

H. R. 5215. An act making supplemental appropriations for the fiscal year ending June 30, 1952, and for other purposes; and

H. J. Res. 290. Joint resolution providing for the recognition and endorsement of the World Metallurgical Congress.

The message further announced that the House had agreed to the following concurrent resolutions, in which it requested the concurrence of the Senate:

H. Con. Res. 39. Concurrent resolution authorizing the Select Committee To Investigate the Use of Chemicals in Food Products to have printed for its use additional copies of certain hearings; and

H. Con. Res. 146. Concurrent resolution providing for the printing of 1,000 additional copies of hearings relative to revenue revision held before the Committee on Ways and Means during the current session.

### ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 3709. An act making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1952, and for other purposes;

H. R. 3790. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1952, and for other purposes; and

H. R. 3973. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1952, and for other purposes.

### COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. McCLELLAN, and by unanimous consent, the Subcommittee on Rivers, Harbors, and Flood Control of the Public Works Committee was authorized to meet at any time during the remainder of this week during the sessions of the Senate.

On request of Mr. McCLELLAN, and by unanimous consent, the Finance Committee was authorized to meet at any time when the Senate is in session until the committee concludes its work on the tax bill.

### FORTY-THIRD ANNIVERSARY OF GEORGE W. COMBS WITH THE BALTIMORE SUN-PAPERS

Mr. O'CONOR. Mr. President, in the midst of many serious problems that our Nation faces at the present time, it is indeed refreshing to be able to pause in the Senate to pay tribute to a man who has an outstanding record of service as a correspondent in Washington. As of this very day, Col. George W. Combs has been a member of the staff of the Baltimore Sunpapers for 43 years, and he enjoys the enviable record of having spent 34 continuous years at the Capitol.

This fine American is typical of all that the free press of our land can truly be proud. At a time when some nations are seeking to destroy not only their own press but likewise ours, as in the person of William Oatis, it is a privilege to be able to pay tribute to Colonel Combs.



This outstanding gentleman, by his exceptional scholarly and accurate reporting of the news for many years past, has always commanded the respect and admiration of his many colleagues and friends. I consider it a pleasure to extend this word of praise to Colonel Combs on his forty-third anniversary.

#### TRANSACTION OF ROUTINE BUSINESS

Mr. McFARLAND. Mr. President, I ask unanimous consent that Senators be permitted to transact routine business, without debate.

The VICE PRESIDENT. Without objection, it is so ordered.

#### EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communication and letter, which were referred as indicated:

##### PROPOSED SUPPLEMENTAL APPROPRIATION, LEGISLATIVE BRANCH (S. Doc. No. 60)

A communication from the President of the United States, transmitting a proposed supplemental appropriation, in the amount of \$18,500, for the legislative branch, fiscal year 1952 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

##### REPORT ON TORT CLAIMS PAID BY DEPARTMENT OF AIR FORCE

A letter from the Assistant Secretary of the Air Force, transmitting, pursuant to law, a report on tort claims paid by the Department of the Air Force, for the fiscal year 1951 (with an accompanying report); to the Committee on the Judiciary.

#### PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of Alabama; to the Committee on Finance:

##### "House Joint Resolution 32

*"Be it resolved by the Legislature of Alabama (both houses thereof concurring), That the Congress of the United States is hereby respectfully requested, memorialized, and petitioned to enact legislation requiring persons, firms, and corporations engaged in interstate commerce to report their wholesale sales made in interstate commerce to the revenue departments of the States affected in order that such States will be able to prevent tax evasions by taxpayers within their jurisdictions.*

*"Be it resolved further, That a duly authenticated copy of this resolve be transmitted by the clerk of the house to each of the following authorities: The Speaker of the United States House of Representatives, the President of the United States Senate, and the members of Alabama's congressional delegation."*

A resolution adopted by San Diego Naval Lodge, No. 726, International Association of Machinists, at San Francisco, Calif., relating to income-tax exemptions; to the Committee on Finance.

A resolution adopted by the executive board, Local 770, United Automobile, Aircraft, and Agricultural Implement Workers of America (CIO), Brooklyn, N. Y., relating to lay-offs due to cut-backs in material and because of defense orders superseding civilian production; to the Committee on Finance.

A resolution adopted by the board of officers of the National Association of Retired Police and Firemen, Inc., Miami, Fla., relating to tax exemptions on pensions; to the Committee on Finance.

A letter in the nature of a petition from the North Carolina State Federation of

Labor, Salisbury, N. C., signed by C. A. Fink, president, and James W. Lazenby, secretary, praying for a redress of grievances; to the Committee on the Judiciary.

#### AUTOMOTIVE EXCISE TAXES—RESOLUTION OF WISCONSIN SCHOOL BUS OPERATORS ASSOCIATION

Mr. WILEY. Mr. President, on August 10 the Wisconsin School Bus Operators Association met in convention in the city of Green Bay. The association adopted a resolution opposing further increases in automotive excise taxes in view of the heavy burdens which already bear down on users of the Nation's highways.

I believe that my colleagues will be interested in this resolution because it expresses the views of a group which is certainly in touch with the grass roots of America, namely, school-bus operators—a group which is indispensable for the education of the Nation's young folk.

All of us recognize that additional taxes are necessary.

We recognize that virtually every group naturally prefers not to have itself taxed but would like to have others taxed. However, we do want to bear in mind that it is a fact that the automotive and related industries are now bearing a tremendous burden of Federal, State, and local levies, and we must be careful lest we set discriminatory rates which will pile too high a burden upon any particular segment of our population.

I ask unanimous consent that the resolution which was forwarded to me by Edward J. Konkol, executive secretary of the association, be printed in the Record and referred to the Senate Finance Committee.

There being no objection, the resolution was referred to the Committee on Finance and ordered to be printed in the Record, as follows:

Whereas under the terms of the 1951 tax bill that has been approved by the United States House of Representatives and now pending in the Senate, motor-vehicle owners would be required to pay more than \$500,000,000 annually in additional Federal automotive excise taxes, in addition to the nearly \$1,500,000,000 they are already paying; and

Whereas this half-billion dollars in added taxes represents nearly 50 percent of all new revenue being sought from proposed increased Federal excise taxes of all kinds; and

Whereas owners of motor vehicles in Wisconsin are already contributing almost \$35,000,000 a year to the Federal Government for general governmental purposes, in Federal automotive excise taxes at existing rates, and the proposed increases would boost this figure to more than \$45,000,000 annually; and

Whereas the automobiles, busses, and trucks of Wisconsin are a necessity and in no sense a luxury to be taxed as such; and

Whereas the field of automotive taxation rightfully belongs to the States, and, therefore, the Federal Government, by further encroachment in this field, would be depriving the States of one of their most lucrative sources of revenue so badly needed to insure construction and maintenance of adequate and safe highways: Now, therefore, be it

*Resolved, That the Wisconsin School Bus Operators Association, speaking for its own membership and in support of the State's*

*motor-vehicle taxpayers, hereby goes on record as absolutely opposed to any increase whatsoever in present rates of Federal automotive excise taxes, on the ground that such taxes are basically wrong in principle and plainly discriminatory and inequitable; and be it further*

*Resolved, That copies of this resolution shall be sent to United States Senators ALEXANDER WILEY and JOSEPH McCARTHY, of the State of Wisconsin, and to all members of the Finance Committee of the United States Senate.*

#### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

S. 1046. A bill to readjust postal rates; with an amendment (Rept. No. 694).

By Mr. SMATHERS, from the Committee on Post Office and Civil Service:

S. 1335. A bill to readjust size and weight limitations on fourth-class (parcel post) mail; with amendments (Rept. No. 695).

By Mr. McCARRAN, from the Committee on Appropriations:

H. R. 4740. A bill making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1952, and for other purposes; with amendments (Rept. No. 697).

By Mr. SPARKMAN, from the Committee on Foreign Relations:

H. R. 4550. A bill to provide for the control by the United States and cooperating foreign nations of exports to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination, and for other purposes; with amendments (Rept. No. 698).

#### WILLIAM N. OATIS—REPORT OF A COMMITTEE

Mr. CONNALLY. Mr. President, from the Committee on Foreign Relations, I report favorably, without amendment, the concurrent resolution (H. Con. Res. 140) expressing indignation at the arrest and conviction of Associated Press Correspondent William N. Oatis by the Czechoslovak Government, and I submit a report (No. 696) thereon.

It will be recalled that Mr. Oatis was unjustly and tyrannically arrested and tried in a government court of Czechoslovakia. He is an Associated Press correspondent, and he was acting in pursuit of his duties in that connection, but was thrown into jail.

Mr. President, the concurrent resolution expresses the indignation and the outraged feelings which the committee believes the people of the United States entertain in regard to the terrible treatment received by Mr. Oatis.

The VICE PRESIDENT. The report will be received, and the concurrent resolution will be placed on the calendar.

#### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MARTIN:

S. 2029. A bill to amend the Defense Production Act of 1950 with respect to industrial dispersion; to the Committee on Banking and Currency.

(See the remarks of Mr. MARTIN when he introduced the above bill, which appear under a separate heading.)







Mr. BUTLER of Maryland. So far as I understand, that is correct. I heard no evidence from the Post Office officials that in anywise would improve the language of the bill. There were no suggestions, in my opinion, that helped us at all.

Mr. IVES. Did the committee consider at all the question of increasing rates, leaving dimensions as they now are, and trying to offset the difficulty by that process?

Mr. BUTLER of Maryland. Yes; but we felt that that was not the way to do it. There are two bills, one of which will take care of the increase in rates, and this bill takes care of sizes and weights.

Mr. IVES. I understand that, but I think it is necessary to consider the two bills together, is it not?

Mr. BUTLER of Maryland. Our distinguished chairman said he felt that was correct, and I agreed with him.

Mr. IVES. They are one and the same with respect to purpose. The purpose presumably is to help to reduce the deficit in the Post Office Department and, at the same time, to make the parcel-post system a more adequate instrument with which to serve the people. I am wondering whether the bill will produce that kind of result.

Mr. BUTLER of Maryland. There is another feature which the Senator has not mentioned, and it is very important. We are trying to eliminate from the post office a business which the post office was never intended to carry on, namely, the freight business.

Mr. IVES. I cannot quarrel with the Senator on that point. I do not think the Post Office Department should go into the freight business, and I think that something should be done in any legislation of this type to have it so clear that it cannot be misconstrued, that there cannot be misunderstandings, and that situations cannot arise such as those which have been pointed out by my colleague from New York and which I can well see arising from this bill. Therefore, it is with some hesitancy that I would vote for this bill.

Mr. NEELY. Mr. President, will the Senator from South Carolina yield?

Mr. JOHNSTON of South Carolina. I yield to the distinguished Senator from West Virginia.

Mr. NEELY. Mr. President, the important matter of the devastating effects of parcel-post competition on express company employees, which was briefly but impressively discussed by the distinguished Senator from Illinois [Mr. DIRKSEN] deserves most serious and sympathetic consideration. Attention is invited to page 5 of the report of the Committee on Post Office and Civil Service submitted by the able Senator from Florida [Mr. SMATHERS].

It appears that the remarkable increase in the parcel-post business has been accompanied by a corresponding decrease in the express company's business and also in the number of its employees.

In 1946, 220,463,444 parcels were shipped by express in less than carload lots. In that year 82,226,867 comparable

packages were shipped by parcel post and the express company had 80,945 employees. The following year the number of packages shipped by express dropped to 214,737,874 and the number of the company's employees dropped to 78,823, while the number of packages shipped by parcel post rose to 936,418,134. The trend thus indicated has not only constantly continued but it has progressively and persistently increased from 1946 to the present hour.

In 1950, of packages which were transported in less than carload lots only 97,240,405 were shipped by express while 1,008,631,565 were shipped by parcel post. In 1950 the express company's employees numbered only 48,403—a reduction of more than 40 percent during the previous 4 years.

During the last 4 years the Post Office Department's competition with the express company has robbed more than 32,000 railroad or express company employees of their jobs.

Mr. BUTLER of Maryland. Mr. President, will the Senator yield?

Mr. NEELY. Certainly.

Mr. BUTLER of Maryland. I say to the Senator that the testimony before our committee showed that in all other classes of mail, as volume increased, the deficit diminished, or disappeared, whereas in this class of mail the testimony showed the greater the volume, the larger the deficit.

Mr. NEELY. That is true beyond the shadow of a doubt.

Mr. President, let me remind the Senate that the Committee on Post Office and Civil Service, without a single dissenting vote, ordered the bill before us to be favorably reported to this body.

I noted with genuine concern that the distinguished and beloved Senator from New York [Mr. LEHMAN] inquired whether it could be guaranteed that the translation of the bill into law would reduce the Post Office Department's deficit of more than a half a billion dollars a year. In my opinion, it would be just as logical to inquire whether it could be guaranteed that an appropriation for national defense would prevent Joseph Stalin and his red-handed minions from waging war against the United States. However, under the law of averages, it is quite safe not only to hope but to believe that this bill, if enacted, will substantially diminish the deficit of the Post Office Department. Certainly it will end or greatly reduce the Department's unfair competition with the express company which, during the last year, deprived more than 10,700 railroad men of their employment.

I am deeply interested in the welfare of the parcel-post system. It has had my loyal support ever since I first became a Member of the Congress. During the administration of the immortal Woodrow Wilson I helped to the limit of my capacity to expand, liberalize, and improve the parcel-post service for the benefit of the people of every walk of life and of every State in the Union.

Under an outstanding Democratic Postmaster General, Albert Burleson, a baby boy was experimentally transported by parcel post; and he was delivered to his destination with both the

safety and the solicitude he would have enjoyed in his mother's arms.

I now challenge those on the other side of the aisle to stand up and tell us when anyone ever got a baby through the Post Office Department under a Republican administration. [Laughter.]

Mr. President, notwithstanding my loyalty to this indispensable governmental agency, I am opposed to its utilization in unfair competition against legitimate private enterprise, to the prejudice of either employers or employees.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. NEELY. Gladly.

Mr. DIRKSEN. I should like to make only two observations. I am glad the Senator from West Virginia has amplified what I started to say a little while ago. If it was the intention of Government to use the Treasury to put a competing service out of business, the Congress should have said so on the 1st of January 1913, when the Parcel Post Act was passed. It should have said to the private enterprise, "We are going to let this service grow, and we are going to put you out of business. You must fend for yourself." Yet all the while the country was clamoring for express service, so larger capital investment was made by the express companies. It seems to me that it is simply not fair to use a Government deficit year after year to put that private enterprise out of business. This bill is an endeavor to find a balanced position.

Secondly, I point out that most of the changes in package dimensions, sizes, weights, and so forth, were made by order of the Postmaster General, in many cases without a hearing. If there is any doubt about that, one has only to look at the report, and he will see that ever since the service was created, most of the changes were made by order of the Postmaster General.

Mr. NEELY. Mr. President, that is quite true.

Mr. DIRKSEN. It is time for Congress to review the situation and try to get the service back on a balanced basis. That is the purpose of the bill.

Mr. HENDRICKSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. GILLETTE in the chair). The Senator from South Carolina [Mr. JOHNSTON] has the floor.

Mr. HENDRICKSON. Will the Senator from South Carolina yield so that I may ask the Senator from West Virginia a question?

Mr. JOHNSTON of South Carolina. I yield.

Mr. HENDRICKSON. Did I correctly understand the distinguished Senator from West Virginia to say that the committee was unanimous in supporting the bill?

Mr. NEELY. The bill was favorably reported by the committee without a single dissenting vote.

Mr. HENDRICKSON. Did the senior Senator from North Dakota [Mr. LANGER] vote in favor of the bill?

Mr. NEELY. I do not remember whether the able Senator from North



Dakota was present when the committee voted on the bill but I do remember that no one—Democrat or Republican—voted against it.

Mr. HENDRICKSON. The reason I ask the question is that I am informed that the senior Senator from North Dakota is vigorously opposed to the bill.

Mr. NEELY. Mr. President, I have just learned from the very able committee clerk, Mr. Latimer, that the Senator from North Dakota [Mr. LANGER] was not present when the committee voted on this matter. But I emphasize the fact that every vote that was cast by a member of the committee in this case was for the bill and not one was cast against it.

It is my hope that the Senate will unanimously approve the committee report, pass the bill without further delay and thus help to start the Post Office Department on the alluring pathway that leads to the fair and happy land of "out of debt and self support."

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. HENDRICKSON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HENDRICKSON. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded, and that further proceedings under the call be suspended.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENTON. Mr. President, before the Senate votes on the pending bill, I should like to make a brief statement on a subject of personal and direct concern to me. When I appeared before the subcommittee presided over by the senior Senator from Illinois [Mr. DOUGLAS] dealing with the subject of ethics, I prepared a paper which the senior Senator from Illinois honored me by inserting in the CONGRESSIONAL RECORD. On the basis of the paper, the Sunday editor of the New York Times, Mr. Lester Markel, asked me to prepare an article for his Sunday magazine section. I should now like to read two paragraphs from the article because they have a bearing on the vote which we are about to make, at least as applied to my own interest in the matter.

The article to which I have referred is called A Decalog for Members of Congress. The first commandment of the decalog reads:

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In the same sense in which a judge debars himself from decisions in which he has a direct personal financial stake, so I shall debar myself from legislative decisions, or, if I take action or choose to vote, I shall fully disclose the nature of my interest.

Mr. President, in explanation of the first amendment, I wrote:

Unfortunately, the proper formulation of an ethical standard in this area is not easy. Carried to its logical absurdity, this commandment would make it impossible for any legislator to vote on a tax bill. Furthermore, most Members of Congress have financial interests which are directly or indirectly af-

ected by much general legislation. The dividing line cannot be exactly defined, but it can and should be sought—and sensed.

For example, I publish the Encyclopedia Britannica. I wouldn't hesitate to vote for measures to increase world trade, but my ethical indicator should certainly register "danger" on a bill to subsidize the export of reference works.

Mr. President, as the distinguished chairman of the committee will testify, I have not talked to him, nor to the Senator from Florida [Mr. SMATHERS], nor to any other members of the committee with respect to the amendment in the bill which exempts books. Only 1 day did I casually mention the subject, in a most fragmentary way, to the junior Senator from Illinois [Mr. DIRKSEN].

However, because of the inclusion of this exemption in the bill—an amendment in connection with which I had no part, and which I did not advocate or support, and which was adopted by the Senate while I was absent from the floor—I do in this case debar myself from the vote which is about to be taken. To the best of my knowledge and recollection, this is the first bill which has come before the Senate, since I have been a Member, in which I have had a specific and direct interest affecting my personal finances, apart from the general stake and interest which each of us has in tax, appropriation, and indeed all other bills.

The PRESIDING OFFICER. The question is on passage of the bill.

The bill (S. 1335) was passed.

#### READJUSTMENT OF POSTAL RATES

Mr. McFARLAND. Mr. President, I move that the Senate proceed to the consideration of Calendar 655, Senate bill 1046, to readjust postal rates.

The PRESIDING OFFICER. The Secretary will state the bill by title.

The LEGISLATIVE CLERK. A bill (S. 1046) to readjust postal rates.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arizona.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Post Office and Civil Service with an amendment to strike out all after the enacting clause and insert:

#### FIRST-CLASS MAIL

SECTION 1. (a) Except as provided in subsections (b), (c), and (d), the rate of postage on all matter of the first class shall be 4 cents for the first ounce or fraction thereof and 3 cents for each additional ounce or fraction thereof.

(b) The rate of postage on drop letters when mailed for local delivery at post offices where free delivery by carrier is not established and when they are not collected or delivered by rural or star-route carrier shall be 2 cents for each ounce or fraction thereof.

(c) Except as provided in subsection (d), the rate of postage on postal cards (including the cost of their manufacture) and on private mailing or post cards conforming to the conditions prescribed by the act entitled "An act to amend the postal laws relating to the use of postal cards," approved May 19, 1898 (39 U. S. C. 281), shall be 2 cents each except that the rate on each portion of double postal cards issued and sold under the provisions of the act of March 3, 1879 (39 U. S. C. 358), shall be 2 cents.

(d) The rate of postage on all domestic air mail as defined in the act entitled "An act

to fix the rate of postage on domestic air mail, and for other purposes," approved August 14, 1946 (39 U. S. C. 462a), not exceeding 8 ounces in weight, shall, except in the case of postal cards and private mailing or post cards, be 8 cents for the first ounce or fraction thereof and 6 cents for each additional ounce or fraction thereof. The rate on postal cards and private mailing or post cards (conforming to the conditions prescribed by the act entitled "An act to amend the postal laws relating to use of postal cards," approved May 19, 1898 (39 U. S. C. 281), when sent by air mail shall be 5 cents each.

#### SECOND-CLASS MAIL

SEC. 2. (a) In the case of publications entered as second-class matter (including sample copies to the extent of 10 percent of the weight of copies mailed to subscribers during the calendar year) when mailed by the publisher thereof from the post office of publication and entry or other post office where such entry is authorized, or when mailed by news agents (registered as such under regulations prescribed by the Postmaster General) to actual subscribers thereto or to other news agents for the purpose of sale, the total postage computed at the pound rates in effect under existing law and based on the bulk weight of each mailing shall be increased by 10 percent, beginning on the first day of the second quarter beginning after the approval of this act and by an increase of 10 percent, based on the rates now in force, to take effect each year thereafter over a period of 2 years: *Provided*, That publications having over 75 percent advertising in more than one-half of their issues during any 12 months' period shall not be accepted for mailing as second-class matter and their entry shall be revoked, except that for the purpose of this proviso only, a charge made solely for the publication of transportation schedules, fares, and related information shall not be construed as constituting a charge for advertising: *Provided further*, That the rate of postage on newspapers or periodicals maintained by and in the interests of religious, educational, scientific, temperance, philanthropic, agricultural, labor, veterans' or fraternal organizations or associations, or service clubs, not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual, shall be 1½ cents per pound or fraction thereof, and the increases provided by this section shall not apply to such rate: *And provided further*, That existing rates shall continue in effect with respect to any religious, educational, temperance, or scientific publication designed specifically for use in school classrooms or in religious instruction classes.

(b) The free-in-county mailing privilege and the rates of postage on copies of publications of the second class when addressed for delivery within the county in which they are published and entered as such shall be the same as authorized by existing law: *Provided further*, That copies of a publication mailed at a post office where it is entered, for delivery by letter carriers at a different post office within the delivery limits of which the headquarters or general business office of the publisher is located, shall be chargeable with postage at the rate that would be applicable if the copies were mailed at the latter office, unless postage chargeable at the pound rates from the office of mailing is higher, in which case such higher rates shall apply.

(c) In no case, except where the free-in-county mailing privilege is applicable, shall the postage on each individually addressed copy be less than one-eighth of 1 cent.

(d) The rate of postage on copies of publications having second-class entry mailed by others than the publishers or authorized news agents, sample copies mailed by the publishers in excess of the 10-percent allowance entitled to be sent at the pound rates.



and copies mailed by the publishers to persons who many not be included in the required legitimate list of subscribers, shall be 2 cents for the first 2 ounces and 1 cent for each additional 2 ounces or fraction thereof, except when the postage at the rates prescribed for fourth-class matter is lower, in which case the latter rates shall apply, computed on each individually addressed copy or package of unaddressed copies, and not on the bulk weight of the copies and packages.

#### THIRD-CLASS MAIL

SEC. 3. The rate of postage on third-class matter shall be 2 cents for the first 2 ounces or fraction thereof and 1 cent for each additional ounce or fraction thereof up to and including 8 ounces in weight, except that the rate of postage on books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants not exceeding 8 ounces in weight shall be 2 cents for the first 2 ounces or fraction thereof and 1½ cents for each additional 2 ounces or fraction thereof: *Provided*, That upon payment of a fee of \$10 for each calendar year or portion thereof and under such regulations as the Postmaster General may establish for the collection of the lawful revenue and for facilitating the handling of such matter in the mails, it shall be lawful to accept for transmission in the mails, separately addressed identical pieces of third-class matter in quantities of not less than 20 pounds, or of not less than 200 pieces, subject to pound rates of postage applicable to the entire bulk mailed at one time. *Provided further*, That the rate of postage on third-class matter mailed in bulk under the foregoing provision shall be 14 cents for each pound or fraction thereof with a minimum charge per piece of 1¼ cents, except that in the case of books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants the rate shall be 10 cents for each pound or fraction thereof with a minimum charge per piece of 1¼ cents: *Provided further*, That the minimum charge per piece of 1¼ cents specified in the foregoing proviso shall be increased to 1½ cents 1 year after the effective date of the increases in rates made by this section: *Provided further*, That pieces or packages of such size or form as to prevent ready facing and tying in bundles and requiring individual distributing throughout shall be subject to a minimum charge of 3 cents each: *And provided further*, That the rates prescribed by this section shall not apply with respect to matter mailed by religious, educational, scientific, temperance, philanthropic, agricultural, labor, veterans', or fraternal organizations or associations, or service clubs, not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual, and the existing rates shall continue to apply with respect to such matter.

#### FOURTH-CLASS MAIL

SEC. 4. (a) Sections 204 (b) and (c) of the Postal Rate Revision and Federal Employees Salary Act of 1948 are amended to read as follows:

"(b) The rate of postage on matter of the fourth class shall be as follows:

"(1) On all matter mailed at the post office from which a rural route starts, for delivery on such route, or mailed at any point on such route for delivery at any other point thereon, or at the office from which the route starts, or on any rural route starting therefrom, and on all matter mailed at a city-carrier office, or at any point within its delivery limits, for delivery by carriers from that office, or at any office for local delivery, the postage shall be 15 cents for the first pound or fraction thereof, 2 cents for the second pound or fraction thereof, 1¼ cents for each additional pound or frac-

tion thereof up to and including 10 pounds, and three-fourths cent for each pound or fraction thereof exceeding 10 pounds.

"(2) For delivery within the first and second zones, except as provided for in paragraph (1), and except when the distance by the shortest regular mail route from the office of origin to the office of delivery is 300 miles or more, in which case the rates of postage shall be the same as for delivery within the third zone, 17 cents for the first pound or fraction thereof, 3 cents for each additional pound or fraction thereof up to and including 10 pounds, and 2¼ cents for each pound or fraction thereof exceeding 10 pounds.

"(3) For delivery within the third zone, 17 cents for the first pound or fraction thereof, 4 cents for the second pound or fraction thereof, 3½ cents for each additional pound or fraction thereof up to and including 10 pounds, and 2¾ cents for each pound or fraction thereof exceeding 10 pounds.

"(4) For delivery within the fourth zone, 18 cents for the first pound or fraction thereof, 5 cents for the second pound or fraction thereof, 4½ cents for each additional pound or fraction thereof up to and including 10 pounds, and 3½ cents for each pound or fraction thereof exceeding 10 pounds.

"(5) For delivery within the fifth zone, 19 cents for the first pound or fraction thereof, 7 cents for the second pound or fraction thereof, 6 cents for each additional pound or fraction thereof up to and including 10 pounds, and 5½ cents for each pound or fraction thereof exceeding 10 pounds.

"(6) For delivery within the sixth zone, 20 cents for the first pound or fraction thereof, 10 cents for the second pound or fraction thereof, 7½ cents for each additional pound or fraction thereof up to and including 10 pounds, and 7¼ cents for each pound or fraction thereof exceeding 10 pounds.

"(7) For delivery within the seventh zone, 21 cents for the first pound or fraction thereof, 11 cents for the second pound or fraction thereof, 10 cents for each additional pound or fraction thereof up to and including 10 pounds, and 9¼ cents for each pound or fraction thereof exceeding 10 pounds.

"(8) For delivery within the eighth zone, 22 cents for the first pound or fraction thereof, 12 cents for the second pound or fraction thereof, 11½ cents for each additional pound or fraction thereof up to and including 10 pounds, and 10¼ cents for each pound or fraction thereof exceeding 10 pounds.

"(9) On parcels measuring more than 84 inches but not more than 100 inches in length and girth combined, the minimum postage charge shall be the zone charge applicable to a 10-pound parcel.

"(c) Catalogs and similar printed advertising matter in bound form weighing more than 8 ounces but not exceeding 10 pounds shall be subject to postage rates based on the 8 parcel-post zones as follows:

"(1) When mailed at the post office from which a rural route starts, for delivery on such route, or mailed at any point on such route for delivery at the office from which the route starts, or on any rural route starting therefrom, and when mailed at a city-carrier office, or at any point within its delivery limits, for delivery by carriers from that office, or at any office for local delivery, the postage shall be 8 cents for the first pound or fraction thereof and 1 cent for each additional pound.

"(2) For delivery within the first and second zones, except as provided for in paragraph (1), and except when the distance by the shortest regular mail route from the office of origin to the office of delivery is

300 miles or more in which case the rates of postage shall be the same as for delivery within the third zone, 9 cents for the first pound or fraction thereof and 1½ cents for each additional pound or fraction thereof.

"(3) For delivery within the third zone, 10 cents for the first pound or fraction thereof and 2½ cents for each additional pound or fraction thereof.

"(4) For delivery within the fourth zone, 11 cents for the first pound or fraction thereof and 3 cents for each additional pound or fraction thereof.

"(5) For delivery within the fifth zone, 13 cents for the first pound or fraction thereof and 4 cents for each additional pound or fraction thereof.

"(6) For delivery within the sixth zone, 14 cents for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof.

"(7) For delivery within the seventh zone, 15 cents for the first pound or fraction thereof and 6 cents for each additional pound or fraction thereof.

"(8) For delivery within the eighth zone, 16 cents for the first pound or fraction thereof and 7 cents for each additional pound or fraction thereof."

(b) Rates of postage prescribed by subsections (b) and (c) of section 204 of such act, as amended by this act, and existing rates of postage prescribed by subsections (d) to (f), inclusive, of such section shall remain in effect until otherwise provided by the Congress.

#### SPECIAL DELIVERY

SEC. 5. Mail of any class shall be given the most expeditious handling and transportation practicable and immediate delivery at the office of address when, in addition to the regular postage, a special-delivery fee is prepaid thereon by means of special-delivery stamps or ordinary postage stamps, or in such other manner as the Postmaster General may prescribe, in accordance with the following schedule: Matter weighing not more than 2 pounds, if of the first class, 20 cents; if of any other class, 35 cents. Matter weighing more than 2 but not more than 10 pounds, if of the first class, 35 cents; if of any other class, 45 cents. Matter weighing more than 10 pounds, if of the first class, 50 cents; if of any other class, 60 cents.

#### REGISTERED MAIL

SEC. 6. (a) Mail matter shall be registered on the application of the party posting the same. The registry fees, which shall be in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by this subsection, shall be as follows:

For articles having no intrinsic value and for which no indemnity is payable, 30 cents; For registry indemnity not exceeding \$5, 40 cents;

For registry indemnity exceeding \$5 but not exceeding \$25, 55 cents;

For registry indemnity exceeding \$25 but not exceeding \$50, 65 cents;

For registry indemnity exceeding \$50 but not exceeding \$75, 75 cents;

For registry indemnity exceeding \$75 but not exceeding \$100, 85 cents;

For registry indemnity exceeding \$100 but not exceeding \$200, 95 cents;

For registry indemnity exceeding \$200 but not exceeding \$300, \$1.05;

For registry indemnity exceeding \$300 but not exceeding \$400, \$1.15;

For registry indemnity exceeding \$400 but not exceeding \$500, \$1.25;

For registry indemnity exceeding \$500 but not exceeding \$600, \$1.35;

For registry indemnity exceeding \$600 but not exceeding \$700, \$1.45;

For registry indemnity exceeding \$700 but not exceeding \$800, \$1.55;



For registry indemnity exceeding \$800 but not exceeding \$900, \$1.65;

For registry indemnity exceeding \$900 but not exceeding \$1,000, \$1.75: *Provided*, That for registered mail having a declared value in excess of \$25 a registry fee of not less than 55 cents shall be paid.

(b) For registered mail or insured mail treated as registered mail having a declared value in excess of the maximum indemnity covered by the registry or insurance fee paid there shall be charged additional fees (known as "surcharges") as follows: When the declared value exceeds the maximum indemnity covered by the registry or insurance fee paid by not more than \$50, 2 cents; by more than \$50 but not more than \$100, 3 cents; by more than \$100 but not more than \$200, 4 cents; by more than \$200 but not more than \$400, 6 cents; by more than \$400 but not more than \$600, 7 cents; by more than \$600 but not more than \$800, 8 cents; by more than \$800 but less than \$1,000, 10 cents; and if the excess of the declared value over the maximum indemnity covered by the registry or insurance fee paid is \$1,000 or more, the additional fees for each \$1,000 or part of \$1,000 on articles destined to points within the several zones applicable to fourth-class matter shall be as follows:

For local delivery or delivery within the first zone, 12 cents;

For delivery within the second zone, 14 cents;

For delivery within the third zone, 16 cents;

For delivery within the fourth zone, 17 cents;

For delivery within the fifth or sixth zones, 18 cents;

For delivery within the seventh or eighth zones, 19 cents: *Provided*, That for registered mail or insured mail treated as registered mail of such kind or character that it may be carried at less than the maximum risk of loss in the mails, the Postmaster General may prescribe rules for determining upon what part of the declared value in excess of the maximum indemnity covered by the registry or insurance fee paid the additional fees shall be based.

#### RETURN RECEIPTS FOR REGISTERED MAIL

SEC. 7. Whenever the sender of any registered mail shall so request, and upon payment of a fee of 7 cents at the time of mailing or of 15 cents subsequent to the time of mailing, a receipt shall be obtained for such registered mail, showing to whom and when the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided*, That upon payment of the additional sum of 24 cents at the time of mailing of any such registered mail, a receipt shall be obtained for such registered mail, showing to whom, when, and the address where the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided further*, That no refund shall be made of fees paid for return receipts for registered mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the postal service.

#### FEES FOR INSURED MAIL

SEC. 8. The fees for insurance, which shall be in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by this section, shall be as follows: 5 cents for indemnification not exceeding \$5; 10 cents for indemnification exceeding \$5 but not exceeding \$10; 15 cents for indemnification exceeding \$10 but not exceeding \$25; 20 cents for indemnification exceeding \$25 but not exceeding \$50; 30 cents for indemnification exceeding \$50 but not exceeding \$100; 35 cents for indemnification exceeding \$100 but not exceeding \$200.

#### RETURNED RECEIPTS FOR INSURED MAIL

SEC. 9. Whenever the sender of an insured article of mail on which other than the minimum fee was paid shall so request, and upon payment of a fee of 7 cents at the time of mailing or of 15 cents subsequent to the time of mailing, a receipt shall be obtained for such insured mail, showing to whom and when the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided*, That upon payment of the additional sum of 24 cents at the time of mailing of any insured article of mail on which other than the minimum fee was paid, a receipt shall be obtained for such insured mail, showing to whom, when, and the address where the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided further*, That no refund shall be made of fees paid for return receipts for insured mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the postal service.

#### FEES FOR COLLECT-ON-DELIVERY MAIL

SEC. 10. The fees for collect-on-delivery service for sealed domestic mail matter of any class bearing postage at the first-class rate and for domestic third- and fourth-class mail matter shall, in addition to the regular postage and any other required fees, be as follows: 30 cents for collections and indemnity not exceeding \$5; 40 cents for collections and indemnity exceeding \$5 but not exceeding \$10; 60 cents for collections and indemnity exceeding \$10 but not exceeding \$25; 70 cents for collections and indemnity exceeding \$25 but not exceeding \$50; 80 cents for collections and indemnity exceeding \$50 but not exceeding \$100; 90 cents for collections and indemnity exceeding \$100 but not exceeding \$150; \$1 for collections and indemnity exceeding \$150 but not exceeding \$200.

#### REGISTERED COLLECT-ON-DELIVERY MAIL

SEC. 11. (a) The fee for collect-on-delivery service for registered sealed domestic mail of any class bearing postage at the first-class rate shall, in addition to the regular postage and any other required fees, be 80 cents for collections and indemnity not exceeding \$10; \$1.10 for collections and indemnity exceeding \$10 but not exceeding \$50; \$1.20 for collections and indemnity exceeding \$50 but not exceeding \$100; \$1.40 for collections and indemnity exceeding \$100 but not exceeding \$200. The maximum amount of charges collectible on any registered sealed domestic collect-on-delivery article shall be \$200.

(b) When indemnity in excess of \$200 is desired, the fee for such registered sealed domestic collect-on-delivery mail shall, in addition to the regular postage and any other required fees, be \$1.50 for indemnity exceeding \$200 but not exceeding \$300; \$1.60 for indemnity exceeding \$300 but not exceeding \$400; \$1.70 for indemnity exceeding \$400 but not exceeding \$500; \$1.80 for indemnity exceeding \$500 but not exceeding \$600; \$1.90 for indemnity exceeding \$600 but not exceeding \$700; \$2 for indemnity exceeding \$700 but not exceeding \$800; \$2.10 for indemnity exceeding \$800 but not exceeding \$1,000.

#### RESTORATION OF SERVICE

SEC. 12. The order of the Postmaster General, dated April 17, 1950, curtailing delivery and other essential postal services, is hereby rescinded, and the Postmaster General is hereby directed to maintain such services on the basis existing immediately prior to the issuance of such order of April 17, 1950, until otherwise provided by the Congress.

#### JOINT COMMITTEE ON POSTAL SERVICE

SEC. 13. (a) (1) There is hereby established a Joint Committee on the Postal Service (hereinafter referred to as the "Joint com-

mittee"), to be composed of three members of the Committee on Post Office and Civil Service of the Senate, to be appointed by the President of the Senate, and three members of the Committee on Post Office and Civil Service of the House of Representatives, to be appointed by the Speaker of the House of Representatives.

(2) The joint committee shall select a chairman and vice chairman from among its members. Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as the original selection. A majority of the members of the joint committee, or any subcommittee thereof, shall constitute a quorum for the transaction of business, except that a lesser number, to be fixed by the joint committee, shall constitute a quorum for the purpose of taking sworn testimony.

(b) The joint committee, acting as a whole or by subcommittee, shall conduct a thorough study and investigation in respect of the following matters:

(1) Methods and means whereby the postal system can be developed and improved, economically and efficiently, so as to best promote social, commercial, and intellectual intercourse among the people in all parts of the United States at reasonable rates and charges.

(2) The extent, if any, to which Post Office Department expenditures, in excess of revenue, for its various services and for the handling of various classes of mail, are justified as being in the public interest; taking into consideration that the United States postal system is a service of the National Government to all the people.

(3) The costs of handling, transporting, and distributing the several classes of mail, and procedures whereby such costs can be reduced through improvements in methods and equipment.

(4) Postal rates and charges in relation to the reasonable cost of handling the several classes of mail matter and special services, with due allowances in each class for the care required, the degree of preferment, priority in handling, and economic value of the services rendered and the public interest served thereby.

(5) The extent to which expenditures now charged to the Post Office Department for the following items should be excluded in considering costs for the several classes of mail matter and special services:

(A) expenditures for free postal services;

(B) expenditures, in excess of revenues, for international postal services;

(C) expenditures for subsidies for postal services pursuant to law or legislative policy of Congress;

(D) expenditures in excess of revenues, pursuant to the act of June 5, 1930 (39 U. S. C. 793), not enumerated in the preceding subparagraphs (1), (2), (3), or (4);

(E) expenditures for services of any character not otherwise enumerated herein which may be performed for other departments and agencies of the Government; and

(F) expenditures which may be justified only on a national welfare basis and not primarily as a business function.

(6) The allocation and apportionment of income and expense for the various classes of mail and special services in the cost ascertainment system now in use by the Post Office Department, and such changes as may be desirable to provide more useful information in the consideration of rates and charges for the various classes of mail and special services.

(7) A plan for continuous cost analysis which will enable the Congress to determine the reasonableness of such costs as compared to standards of efficiency and economy prevailing in private business enterprise.



(8) Such other matters as may be deemed pertinent and relevant to accomplish the objects and purposes of this section.

(c) (1) The joint committee shall appoint an advisory council (hereinafter referred to as the "council") to be composed of not more than 20 members, including representatives of the general public, representative users of the mails, members of accounting and management engineering firms, postal experts, representatives of postal employee organizations, and, with special reference to rate-making in their fields, representatives of public transportation and distribution organizations. Officials of the Post Office Department shall be offered appointments as members of the council. The council shall select a chairman from the group representing the general public.

(2) The function of the council shall be to assist the joint committee in the studies and investigations authorized by this section. The council shall meet at such times and places as may be authorized by the joint committee.

(3) Members of the council who may be in the executive branch of the Government shall each receive the compensation which he would have received if he were not a member of the council, plus such additional compensation, if any (notwithstanding sec. 6 of the act of May 10, 1916, as amended; 89 Stat. 582; 5 U. S. C. 58), as is necessary to make his aggregate salary \$12,500; and shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of the duties of the council. The members of the council from private life shall each receive \$50 per diem when engaged in the performance of the duties of the council, plus reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of such duties.

(d) (1) The joint committee, or any duly authorized subcommittee thereof, is authorized (A) to hold such hearings; (B) to sit and act at such places and times; (C) to require by subpoena or otherwise, the attendance of such witnesses and the production of such books, papers, and documents; (D) to administer such oaths; (E) to take such testimony; (F) to procure such printing and binding; and (G) to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not exceed 25 cents per hundred words. The provisions of sections 102 to 104, inclusive, of the Revised Statutes shall apply in the case of any failure of any witness to comply with a subpoena or to testify when summoned under authority of this section.

(2) The joint committee is authorized to appoint and fix the compensation of such personnel as it deems necessary to assist it in the performance of its functions. The joint committee may also contract for the services of accounting and management engineering firms to assist it in its functions, and employ part-time consultants, experts, and technicians at a per diem rate not in excess of \$50. Insofar as practicable, the joint committee shall employ persons familiar with the operation of the postal service, accounting practices, or problems of public transportation and distribution with special reference to rate-making in those fields.

(3) The joint committee is authorized to secure directly from the Post Office Department, or from any postal field office, information, suggestions, estimates, and statistics, and the Post Office Department, or any field office, is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the joint committee upon request of the chairman or vice chairman.

(e) The joint committee shall report from time to time to the committees of the Senate and House of Representatives from which

the membership of the joint committee was appointed, and shall submit its final report to the Senate and the House of Representatives not later than January 15, 1953, the results of its study and investigation together with such recommendations as to necessary legislation as it may deem advisable. Upon the submission of such final report the committee shall cease to exist.

(f) There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this section, to be disbursed by the Secretary of the Senate on vouchers signed by the chairman or vice chairman of the joint committee.

#### REPEAL OF EXISTING PROVISIONS

SEC. 14. All existing laws or portions thereof, inconsistent or in conflict with this act, are hereby amended or repealed.

#### EFFECTIVE DATE

SEC. 15. This act shall take effect on the first day of the third calendar month following the calendar month in which it is enacted, except the rates herein provided for second-class mail shall take effect on the first day of the second quarter beginning after the approval of this act.

Mr. JOHNSON of Colorado. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 14, line 10, it is proposed to strike out section 1 (d).

Mr. JOHNSON of Colorado. The purpose of the amendment is to prevent the proposed increase in the first class air mail rate from 6 cents to 8 cents and on postal cards from 4 cents to 5 cents.

I am in complete accord with the committee in its efforts to balance the budget of the Post Office Department, and I am in complete agreement with its objectives along that line. However, I must disagree completely with the method insofar as this particular point is concerned, because I am certain beyond any doubt whatever that if we increase the air mail postal rates from 6 cents to 8 cents we shall have a greater deficit in the Post Office Department than we have at the present time.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. Yes.

Mr. CARLSON. I did not understand the Senator to say where I would find his proposed amendment applied in the bill.

Mr. JOHNSON of Colorado. It is on page 14, line 10, to strike out section 1 (d). Striking out the section would eliminate the proposed increases in the air mail rates.

The present 6-cent rate was arrived at by Congress after considerable experimentation with air mail postage rates, in order to secure the maximum revenue from air mail. The 6-cent rate was inaugurated in 1934. During the war an 8-cent rate was established. I should like to invite the particular attention of Senators to this point that during the war when an 8-cent rate was established, the volume of air mail dropped severely from 1,091,000,000 pieces, in fiscal year 1944, to 716,000,000 pieces in 1946. I hope I may have the attention of Senators on this point because it is extremely important. What is proposed to do here is to increase the postage rates in

order to get more money. What I am saying—and I believe I can prove it—is that if we make the increase in the air mail postage rates we will not get more money and we will not render greater service to the public, but we will lose money.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. Yes.

Mr. CARLSON. I wish to state to the Senator from Colorado that in checking the report I note that the expenditures which are apportioned to the domestic air mail service total \$109,621,905, and the revenue is \$74,120,038.

Mr. JOHNSTON of South Carolina. Mr. President, I wish to call the Senate's attention to the fact that the airlines also have a subsidy, amounting to approximately \$60,000,000 or \$70,000,000, even in addition to the figures the Senator has mentioned.

Mr. CARLSON. The Senator is correct, Mr. President. I should like to call the attention of the Senator from Colorado to the fact that the present excess of expenditures over receipts is \$35,501,867; and if the rate were increased from 6 cents to 8 cents, the deficit would still be \$16,768,887, plus a subsidy of approximately \$60,000,000 or \$70,000,000.

Mr. JOHNSON of Colorado. I shall refer to the subsidy in a few minutes. I am not familiar with the figures the Senator has cited, but it can easily be proved that the present airmail rate of 6 cents pays completely not only all the expenses of carrying the mail, but also pays all the expenses of receiving the mail and gathering it at one end and distributing it at the other end, and, in addition, pays the Post Office Department a profit of 20 percent. All that comes from the present 6-cent rate, and I believe it can be demonstrated.

Mr. CARLSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HUNT in the chair). Does the Senator from Colorado yield to the Senator from Kansas?

Mr. JOHNSON of Colorado. I yield.

Mr. CARLSON. I trust the Senator will discuss that point. The figures to which I referred are to be found on page 27 of the report. They were submitted by the Postmaster General, and are arrived at by the Post Office Department through its cost ascertainment system.

Mr. JOHNSON of Colorado. They are strange figures to me, and there is something radically wrong with them, because the Post Office Department's representatives have been testifying before our committee, and we have followed the testimony and the evidence very carefully, and we do not arrive at such a result at all.

I wish to refer to the matter to which the chairman of the Committee on Post Office and Civil Service, the Senator from South Carolina [Mr. JOHNSTON], has referred. The Committee on Interstate and Foreign Commerce has been working on a bill to separate the subsidy from the compensatory mail rate. We have on the calendar a bill on this subject, and I am informed that probably



the bill will be called up for consideration and passage tomorrow. Under the provisions of that bill, the subsidy is entirely separated. It is not eliminated if the Congress wishes to continue it, but it is eliminated insofar as the Post Office Department is concerned.

At the present time, under the 1938 act the Post Office Department pays for the handling of air mail on a cost-plus basis. The Post Office Department pays out the money which is appropriated by the Congress; the Post Office Department pays in a lump sum the subsidy and the payments for the carriage of the mail.

Mr. CARLSON. Mr. President, I am heartily in accord with the Senator's bill. I certainly hope the Senate passes it. I never could see why the Post Office Department should be charged with a subsidy for air mail. However, that is what we have done and that is what we are doing, and the subsidy totals \$60,000,000 or \$70,000,000 a year.

However, that does not answer the problem of the deficit now being incurred for carrying the air mail and for the air-mail service.

Mr. JOHNSON of Colorado. I repeat, Mr. President, that there is no deficit for carrying the air mail. If we eliminate the subsidy, there is a profit of 20 percent to the Post Office Department.

I may say to the Senator that the amount of the subsidy, as we have estimated it—of course there is no way to figure it exactly—is \$56,000,000, which does not vary far from the Senator's estimate.

Mr. JOHNSON of South Carolina. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. JOHNSON of South Carolina. Mr. President, I do not know where the Senator gets his figures in regard to the cost. I hold in my hand the cost-ascertainment report from the Post Office Department. From it I find that in 1950 the revenues from domestic air mail were \$74,120,038, and the expenditures were \$109,621,905.

Mr. JOHNSON of Colorado. That includes the subsidy.

Mr. JOHNSON of South Carolina. And from those figures we find that the deficit was \$35,501,867. By means of this bill we merely try to raise \$16,768,887 to offset a part of the deficit.

That is the report we received from the cost-ascertainment division. I have no doubt that the air-mail service is paying its way, but those are the figures by which we have to proceed.

Mr. JOHNSON of Colorado. I do not dispute the figures, but they include the subsidy; that is where the trouble is. The subsidy will be eliminated. The situation could not possibly be otherwise.

I am telling the Senator that it can be proved that all the costs of carrying the mail by air, plus all the costs to the Post Office Department in connection with gathering the mail at one end and distributing it at the other end, and all the costs to the Post Office Department with respect to the mail, when all of them are added together are paid for by the 6-cent rate on air mail, and there

remains a 20-percent profit to the Post Office Department.

Mr. JOHNSON of South Carolina. Mr. President, I am of the opinion that the cost ascertainment figures are correct.

Mr. JOHNSON of Colorado. But they include the subsidy.

Mr. JOHNSON of South Carolina. If we were discussing only domestic air mail, the question would be a different one. However, the Senator must remember that by means of this bill we are increasing the rate for the ordinary letter from 3 cents to 4 cents, and the rate on postal cards from 1 cent to 2 cents. The members of the committee were unanimously of the opinion that if that were done, we should also increase the air-mail rate from 6 cents to 8 cents, so as to have the air-mail rate in keeping with the other increased rates provided by the bill.

Mr. JOHNSON of Colorado. Perhaps that seems logical; but if the air-mail rate is increased in that way, the air-mail service will be priced out of the market and the mail will be driven off the airplanes and back to transportation at the 4-cent rate. There can be no question about that, for we have had experience with it, and that has been the result.

We have tried to separate the subsidy from the air-mail service, and we have done it on the basis of a 6-cent rate.

If the rate is made 8 cents—and an 8-cent rate would be certain to drive mail from the airplanes, just as happened before, when we experimented with this matter, then the figures will be completely out of line; and by such a change in rates, the United States airlines will be injured, the Treasury of the United States will be injured, and the Post Office Department will be injured.

I am sure the Congress does not want to do that. I commend the committee for its desire to balance the budget of the Post Office Department. However, instead of raising more money, the result will be to raise less money, and at the same time the charge to those who send their mail by air will be increased.

Of course, the Committee on Post Office and Civil Service has not had the advantage of some of the information which I am bringing to the attention of the Senator at the present time, since the Committee on Interstate and Foreign Commerce have only recently reported the bill; it has not been before the Senate very long, and the Committee on Post Office and Civil Service certainly did not consider the matters which I am mentioning at the present time. I am sure that, had the committee possessed this information, it would not have changed the rate on air mail from 6 to 8 cents, or the rate on postal cards from 4 to 5 cents. I am as sure of that as I can be. Very recently, and I think largely because of the activity of my committee in bringing about a consideration of this subject, the Civil Aeronautics Board reduced the transportation payments to the Big Four airlines from 63 cents

a ton mile to 45 cents a ton mile, effective January 1, 1951. They made the rate retroactive, and the four airlines which I am discussing, United, TWA, Eastern, and American, paid back into the Treasury more than \$5,000,000 received as overpayments. The Committee on Post Office and Civil Service had no knowledge of that. There was nothing in the testimony, nothing in the evidence, to indicate that the committee knew anything about that repayment of \$5,000,000.

I beg the committee not to destroy the airlines, and not to destroy this wonderful air-mail service. For example, I mail a letter in Washington today, and tomorrow it is received and is being read by the person to whom it is addressed in San Francisco, Los Angeles, Denver, or in any one of many other places in Colorado. It is a wonderful service. It is a service to which the people are entitled. I beg Senators not to price the air-mail service out of the market. Please do not destroy this service.

A few moments ago I heard an argument on the subject of profits in the Post Office Department. I agree with the Senator from Illinois that, in the language of the Constitution providing for the Post Office Department nothing is said about losses. Nor was anything said about profits. But the founding fathers were pretty shrewd men. They did not make losses, they did not believe in making losses. They did not believe in deficits. They contemplated that the Post Office Department would pay its own way. It will pay its own way, and the air-mail service will pay its own way, if we will but leave the air-mail rates as they are.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield to the Senator from Illinois.

Mr. DIRKSEN. I should like to ask the Senator from Colorado whether the 8-cent rate was not in effect during World War II. I understand that it was.

Mr. JOHNSON of Colorado. That is correct.

Mr. DIRKSEN. Following the war, and sometime in 1946, the rate was reduced from 8 cents to 5, was it not?

Mr. JOHNSON of Colorado. That is correct.

Mr. DIRKSEN. The committee thought about it and, as I recall, discussed it at the time. The members of the committee felt that it was not an experience which could be used for comparative purposes. They felt it very likely that, with an increase to 4 cents in first-class mail, there was every justification for raising the air-mail rate to 8 cents; and that, because of the fact that there are increased costs all along the line, in the manufacture of goods, in wage rates, and so forth, it is eminently justified, and that we must keep the rates in some sort of balance. We could not very well have the air-mail rate fixed at 6 cents, and still have a balanced rate structure.

Mr. JOHNSON of Colorado. Mr. President, I think we could.



Mr. DIRKSEN. I do not think so.

Mr. JOHNSON of Colorado. I respectfully disagree with the Senator. The object in fixing postal rates is to obtain maximum revenue and maximum service.

Mr. DIRKSEN. That is true.

Mr. JOHNSON of Colorado. The two objects must go together—not singly, but both together. The 6-cent rate is the one which results in the maximum revenue, and also in the maximum service.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I will yield to the Senator in a moment, but I desire to tell the Senator from Illinois—or rather recall to his mind, because I think he already knows it—that during the war an 8-cent rate was established, and the volume of air mail dropped severely; in fact, it dropped from 1,091,000,000 pieces in fiscal 1944 to 716,000,000 pieces in 1946. As the result of that drop, the 6-cent rate was restored. It first went to 5 cents, and then came back to 6 cents. The rate of 6 cents is logical and can be justified. The 6-cent rate would not result in a loss to the Post Office Department, or even a break-even; but it would result in a profit to the Post Office Department of 20 percent over and above all possible expenses which can be charged against it.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I should like to call the attention of the Senator from Colorado to the fact that we are today dealing with a dollar which is worth but about 55 cents, whereas, in 1939 and 1940 it was worth 100 cents. In our consideration of this bill we have had to keep that in mind. We are having to pay more to the employees of the department.

In order to protect the airlines which carry domestic air mail, we have also increased the rates on regular first-class mail, that is, we have increased the rate on the first ounce of first-class mail from 3 cents to 4 cents, which is for the ordinary letter. Also, we have increased the special-delivery rate from 15 to 20 cents. If we fix the air-mail rate at 8 cents, it becomes exactly double that on the first-class letter. I have in mind the sequence of the 6-cent rate and the 3-cent rate. This sequence would be maintained.

In respect to special-delivery rates, as I have said, in this bill the special-delivery rate is being increased from 15 to 20 cents. It was in the special-delivery class that postal business declined before. We have to lose the air-mail business to one or the other; that is, the matter now sent by air mail would either be sent by special delivery or as ordinary mail. Therefore, we feel that the provision now recommended makes the system more equitable all the way through.

Mr. JOHNSON of Colorado. The Senator says that costs are rising, and that that is a valid reason for increasing the postal rates. I do not think anyone can argue against that, because

it is pretty solid thinking. But the fact is that the postal rates on air mail have been and are going down. The rates on the railroads, for the 4-cent letter, about which the Senator speaks, have risen. But the cost of handling mail on the airlines has been declining, and when we get this bill through—tomorrow, I hope—there will be further drops and further adjustments. A great mistake and a great wrong is being done by increasing the air-mail rates and thus pricing air mail out of the market. I hope that that will not be done.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. JOHNSON of Colorado. I yield to the Senator from Louisiana.

Mr. LONG. I should like to ask the Senator one question. It appears that the only increase, or at least the greatest increase, in the bill is in the first-class rates. Those are the rates which are not subsidized. It was my understanding when I was a member of the Committee on Post Office and Civil Service 2 years ago that the first-class rates were really the ones which might show a profit. It cost about 2.7 cents, as I recall, to deliver one first-class letter. At 3 cents the Government was making a profit. The subsidized groups were in second, third, and fourth class, and those are the ones which apparently would share least in the postal increases. I wonder what the Senator's reaction to that would be.

Mr. JOHNSON of Colorado. The 6-cent rate is the only one about which I have information. I know that the rate of 6 cents, as I have stated over and over again, pays all the expenses of handling or carriage on the part of the airline, the receiving end of it and the delivery end of it. It makes a profit for the Post Office of 20 percent. Five cents just about takes care of the expenses.

I agree with what the Senator from New Mexico [Mr. CHAVEZ] said—that the Post Office Department was not created by the founding fathers to make a profit—but I do not think anyone could possibly object to its more than breaking even. But when we boost the price so high that we are likely to kill the goose that lays the golden egg, I think it is time to stop, look, and listen, and see what we are doing. I doubt whether the increases in payments to the railroads have augmented costs to the extent that a boost from 3 to 4 cents in ordinary first-class mail is justified. I doubt that very much, but I do not have any information about it. I do have information about the air mail, and I know what I am talking about in that connection. I am sure that a great mistake is about to be made.

Mr. LONG. Mr. President, will the Senator yield for a further question?

Mr. JOHNSON of Colorado. I yield.

Mr. LONG. As a matter of fact, in some of the other categories, such as second- and third-class mail, the Government is losing large amounts in connection with magazines and periodicals. Why could not the rates on those classes of mail be advanced to pay for the additional expense incurred by the Post Office Department so that we would not have

to subsidize them so heavily and not have to take it out of particular classes of mail which are paying their own way?

Mr. JOHNSON of Colorado. That would seem logical, but there is the other argument, namely, that we want information furnished to the people in every way possible. I do not believe the subsidy should be a large one. I think the publishers of periodicals and magazines should pay their way pretty well; but if they do receive some subsidy, the people are supposed to get the advantage in the form of information derived from books, magazines, and periodicals.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield to the Senator from Illinois.

Mr. DIRKSEN. Carrying out the thought expressed by the Senator from Louisiana, of course, the ideal thing would be to adjust the first-class rate that pays its own way. We ascertain the cost of doing business and then impose a rate that will take care of the situation in connection with the second, third, and fourth classes. But it simply does not work out that way. In fourth class there is a very fancy deficit. The rates are established by the Interstate Commerce Commission. The Commission either fixes the rates in accordance with the suggestion of the Postmaster General, or it turns them down. First class is operating in the black; it makes money. It is the old story of pulling the feathers out of the goose in such a way that it will produce the least amount of squawking.

Mr. JOHNSON of Colorado. I may be a goose, and I am certainly squawking. I am squawking as loudly as I can, because I do not want to see this mistake made.

Mr. DIRKSEN. We simply hope that the results predicted by the Senator will not eventuate. The airline experience with the 8-cent rate was in wartime, and, therefore, could not be used as a standard.

Mr. JOHNSON of Colorado. The revenue in 1945 dropped 11.2 percent.

Mr. DIRKSEN. That was during the war period.

Mr. JOHNSON of Colorado. The years 1944 to 1946 were not altogether in the war period.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield to the distinguished Senator from Tennessee.

Mr. McKELLAR. I suggest that the Senator from Colorado takes this bill too seriously. I believe that what has been done by the committee will prove to be right. If not, the committee will propose a remedy. I stood on the floor of the Senate at least 30 years ago in connection with an amendment to an appropriation bill to establish an experimental airline between Washington and New York to ascertain the feasibility of carrying first-class mail by airplane. Senator King of Utah was a Member of the Senate at that time, and one of the best debaters I have ever known. He called the idea ridiculous, silly, foolish; he used almost every expression to



indicate that he thought it could never be accomplished. Finally the Senate passed the bill and it became law, and the experiment was conducted between Washington and New York. I would have to ask the clerk to give me the exact figures, but my recollection is that the appropriation for the experimental airline between Washington and New York was either \$100,000 or \$300,000; I have forgotten the exact figure. But in the following year it was demonstrated beyond the shadow of a doubt that air mail could be carried not only between Washington and New York, but among all the States. I made the prediction that I would live to see the day when mail would be sent by air not only to every State in the Union, but beyond our borders to every nation in the world. That has come true, I am happy to say.

There is no Senator who admires the Senator from Colorado more than I do; I am proud to be associated with him in the Senate; I know he is level-headed, and I know he is a man of good sense, but I want to say to him that I think he is taking the bill a little too seriously at this time. It seems to me that when he reflects on it he will probably withdraw his amendment.

I am a member of the Committee on Post Office and Civil Service. I will have been a member of it for 35 years next November. I can assure the Senator that if the bill does not function properly, it will be made to work. There is no member of the committee who wants to hurt the air mail. Heaven knows it has fulfilled every prediction I made concerning it, and I made rather extravagant predictions in answer to Senator King. He made a much better speech than I made, but the argument was on my side of the question, and the Senate responded to my argument. I believe it will do so at this time.

I hope the Senator will not insist on his amendment. We are going to do the right thing by the air mail and the airplane companies, just as we try to follow the best course for all American citizens. I, for one, assure the Senator that if the 8-cent rate does not prove to be right, I will do everything in the world I can to make it right. I hope the Senator will not be afraid that we are going to hurt the airplane companies, because we are not.

Mr. JOHNSON of Colorado. Mr. President, I greatly appreciate the nice things the Senator from Tennessee has said. I do not know of any Senator whom I would rather hear say nice things about me, and I think every other Senator on the floor feels exactly the same way. The Senator from Tennessee was foresighted; he foresaw the success of transportation of mail by airplane long before it was proven a success. He saw it before other Members of the Senate saw it.

But I urge upon the Senator, and upon the fine committee of which he is a member, that foresight be used at this time, and that we make it possible that not only the few millions of tons of air-mail now being transported by air may continue to be transported, but that many, many additional tons of mail may

be transported by air. If the rate is kept down where it belongs—and 6 cents is where it belongs, as we have found from long experience—I am sure that the tonnage of air mail is going to increase through the years, and the service of the Post Office Department is going to improve, and the people living far away from Washington are going to be given the advantage of very quick transportation of mail.

#### THE LAW OF DIMINISHING RETURNS

Mr. MALONE. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. MALONE. For the benefit of the Senate, I should like to read a short letter from E. S. Land. It attempts to recognize what is known to the public service commissions of the States and to the Interstate Commerce Commission as the law of diminishing returns.

Mr. JOHNSON of Colorado. Mr. Land is one of the great patriots of this country.

Mr. MALONE. The letter is addressed to the junior Senator from Nevada, and begins:

Subject: Proposed increase in air-mail postage rates.

Mr. President, I ask permission to read the letter for the reason that I have a high regard for the former Chairman of the CAB, as an experienced man who has watched the operation almost from the beginning.

MY DEAR SENATOR MALONE: On August 21, 1951, the Senate Committee on Post Office and Civil Service reported favorably on S. 1046, a bill to readjust postal rates. As amended by the committee, the bill would, among other things, increase the postage on air mail from 6 cents an ounce to 8 cents an ounce.

The Air Transport Association of America—

Of which E. S. Land is president—

which is composed of virtually all of the certificated airlines operating under the American flag, hopes that you will vote against the proposed air-mail postage increase. We feel strongly that, for the following reasons, this proposal should be rejected.

Mr. President, the junior Senator from Nevada is not an expert in this field. He has simply watched it since its inauguration, but has not studied in detail the effect that all the changes in rates have had over the years, as has the distinguished Senator from Tennessee [Mr. McKELLAR], who is the peer of all of us here in service.

Mr. Land then reasons as follows:

1. The proposed increase would seriously reduce the volume of air mail. In 1944, after a 6-cent air-mail rate had been in effect almost 10 years, the rate was increased to 8 cents an ounce. The volume of air mail dropped severely—from 1,091,000,000 pieces in fiscal 1944 to 716,000,000 pieces in fiscal 1946. Revenue from air-mail postage dropped from \$8,500,000 monthly in fiscal 1944 to \$6,770,000 in fiscal 1945—a drop of 11.2 percent. While a portion of this reduction resulted from the decrease of military mail, the major portion was clearly attributable to the rate increase, inasmuch as the percentage of air mail to total first-class mail dropped during this period from 5.02 percent to 3.68 percent.

In an effort to reverse the downward trend in the volume of air mail, air-mail postage was reduced to 5 cents an ounce on October 1, 1946. In 1 month air mail volume in-

creased 40 percent and the first 9 months of 1947 saw increases which ranged from 42 to 53 percent.

It is conservatively estimated that if the proposed 2-cent increase is adopted, annual air mail volume for the fiscal years 1952 and 1953 will be reduced by 25 percent, or 8,750,000 pounds each year.

2. The proposed increase would discriminate against air-mail users, since air-mail rates were readjusted as recently as January 1, 1949. On that date the rate was increased 20 percent, from 5 to 6 cents. If S. 1046 were adopted, the charge for air mail would have been increased from 5 cents on January 1, 1949, to 8 cents on the effective date of the bill. Thus a 60-percent increase would have been imposed upon users of air mail within the past 2½ years. Air-mail users would have every right to insist that they were being discriminated against by this latest readjustment, since none of the other increases proposed in S. 1046 would approach the increase in air-mail postage since January 1, 1949.

3. The financial benefit which the committee believes will result from the proposed increase will accrue to the Post Office, without any increase in rate, because of the drastic reductions recently made in transportation charges by the air-mail carriers. The committee's report indicates that it based its recommendation on an estimation that the proposed increase would produce some \$16,768,000 additional annual revenue from domestic, first-class air mail. Due to the drastic reductions which have been made in the transportation charges by the air-mail carriers, there will be an annual saving to the Post Office Department, in payments made to the airlines for the transportation of domestic air mail, of well over \$16,000,000 during the calendar year 1951. This information was not available to the committee during the hearings on S. 1046. Obviously, a reduction in air-mail expenses will have the same beneficial effect in reducing any air-mail deficit in the Post Office Department as would an increase in postal revenues of an equal amount.

In view of the foregoing, we urge that the proposed increase in air-mail-postage rates be rejected.

Sincerely yours,

E. S. LAND, President.

Mr. President, will the Senator further yield?

Mr. JOHNSON of Colorado. I yield.

Mr. MALONE. It is a difficult matter for a Senator, or even for a committee, after full hearings have been had on the subject, to judge where the dividing line comes between a disposition to send an air-mail letter when it is not absolutely necessary to send an air-mail letter, and not to do so. If the postage is 5 cents or 4 cents or 6 cents, or whatever it is, it does not make much difference, it is fairly cheap, that is, the difference in cost is almost negligible, and when that is so the sender of a letter likes to have it go air mail, and it goes air mail, whether it is absolutely necessary for it to go air mail or not.

That is the decision made by thousands of people every day which makes the difference between increased revenue and decreased revenue.

Mr. President, it can be likened to freight rates, to a certain extent. The junior Senator from Nevada has served on his State's public service commission. From his experience he knows that the important decision which a public-service commission often has to make is as to where the dividing line comes, as



to where a bushel of wheat or a bushel of corn or a ton of ore will not be shipped, at all, or will be shipped by another method if the rate be raised. That is an important decision to make. The same principle applies to the decision we are making here today.

The junior Senator from Nevada joins with the senior Senator from Colorado in the belief that at least the present rate should be tried a while longer and allowed to straighten out, in view also of the fact that the subsidies paid to airlines are in a state of flux. Many of the airlines would like to have those subsidies paid separately so it would be understood who is getting a subsidy, and for what. In other words, we know that the subsidies we are paying to the airlines every day are not paid on a businesslike basis. As a matter of fact they are discouraging rather than encouraging businesslike and efficiency methods, because somebody is going to pick up the check anyway. We are now spending money all over the world without rhyme or reason, and it does not seem to me that it is too important if we have a domestic deficit by reason of rendering a necessary service to some of our own people, in view of the fact that it may, as the senior Senator from Tennessee and the senior Senator from Colorado have said, result in as much or more revenue than we now receive.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I will yield in a moment, but I wish to comment briefly on the contribution the Senator from Nevada has made—and he has made a real contribution. The Senator from Nevada does not live next door to Washington. He lives a long way from Washington. But I know that he appreciates being able to write a letter today and have it read in his home State and his home city tomorrow. That is a great service. That is a splendid thing. That is the thing which the Senator from Tennessee [Mr. McKellar] was thinking about long before others had thought about it.

We say that the world is growing smaller. It is growing smaller. We write a letter today, and tomorrow it is read in the capitals of Western Europe. That is fine service. That is a fine thing. Those of us who live in the country which was at one time served by the pony express can appreciate the great advantages to our people of such fine mail service.

Mr. MALONE. Mr. President, will the Senator further yield?

Mr. JOHNSON of Colorado. I yield.

Mr. MALONE. The Senator has mentioned a very important point. I do not mean to make this a personal matter, but in my office every day we answer letters from my home State of Nevada and many from other States in the Union. So long as the air-mail rate is 5 cents, a certain proportion of important letters from my office go by air mail. If the rate were 4 cents, it would be even more attractive. As the Senate well knows, we are limited in the air-mail privileges which we enjoy as Senators. In my office, in the case of practically

all mail which has any emergency character, we simply place an air-mail stamp on it, and the junior Senator from Nevada makes up the difference over the Government allowance at the end of the month.

If the rate were to be increased from 6 cents to 8 cents, there would be a further decision to make. It would cost just that much more money, and the Senator from Nevada has very little money available for the purpose.

Mr. JOHNSON of Colorado. The volume would be reduced, of course. The Committee on Post Office and Civil Service, with its fine intention to raise more revenue, would find that the increased rate would raise less revenue, and the people would receive less service.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. DIRKSEN. I hope my friend from Nevada will not run away.

The committee starts with a deficit of \$550,000,000, in round figures. That is no novelty, because it has been going on for some time. Whatever revenue we fail to realize from postal rates we must get from taxes. It must be provided for by the committee which is now sitting in room F-34 wrestling with a revenue bill and trying to bring the budget into balance. We must get the revenue somewhere.

The same argument which the Senator from Colorado now makes can be made with respect to every other classification of mail for which there is a rate in the bill.

Mr. JOHNSON of Colorado. Oh, no.

Mr. DIRKSEN. Let us look at the picture. First, it is proposed to increase the domestic air-mail rate from 6 cents to 8 cents. Admiral Land's letter says that the air-mail rate would receive the largest percentage of increase under the terms of the bill.

The rate for post cards would be increased from 1 to 2 cents, based somewhat on the findings by the Hoover Commission, showing what the deficit was in various fields of mail carriage.

Mr. JOHNSON of Colorado. There was a deficit with respect to postal cards.

Mr. DIRKSEN. That is true.

Mr. JOHNSON of Colorado. But there has been no deficit in connection with air-mail rates, and none can be shown.

Mr. DIRKSEN. The point is, first of all, that the admiral's letter indicates that the bill would give a healthier hike to air-mail rates than to rates for any other class of mail. It is proposed to increase the first-class mail rate from 3 to 4 cents, and the air-mail rate from 6 to 8 cents. Percentagewise it is the same thing. If these figures mean anything, we shall still have a deficit in respect to air mail if we add the losses on air parcels post and air mail, and then estimate a \$16,000,000 increase as a result of the increase from 6 to 8 cents.

Mr. JOHNSON of Colorado. I will tell the Senator how he can increase the deficit. All he has to do is to increase the postage rates on air mail to 10 cents, and he will have a greater deficit. An increase from 6 cents to 8 cents will result in a greater deficit. That is the

point I am trying to get over to the Senator. The higher the rate goes the greater the deficit.

Mr. DIRKSEN. If my friend will yield again, I wish to make this observation: We went on the 8-cent basis for air mail in 1944, and the rate was reduced in October, 1946. That came at a time when we did not have sufficient carrying capacity in planes. There was heavy military travel, and often mail had to stand by the wayside. I remember some experiences in that connection. In some cases service by first-class mail was better than by air mail. I doubt whether we shall have a good basis for comparison until we try out the plan.

Finally, let me say to my friend from Colorado that included in this bill are the provisions of the Carlson resolution for a complete investigation and ventilation of postal techniques and cost ascertainment, to see precisely where we are. That has not been done before, as it should be done, by competent auditors. Once that survey has been made and the report has been rendered, we can tell better where we shall be.

I see no reason why we should unbalance the schedule by making an exception of air mail and saying, "We are not going to increase the air mail rate, but the cost of the poor man's letter, the postal card, is going to jump from 1 to 2 cents, and the rate for first-class mail is going to jump from 3 cents to 4 cents. But if you are an air mail user, there will be no increase."

I doubt whether the committee could sustain that kind of position, in all equity.

Mr. JOHNSON of Colorado. I disagree completely.

Mr. WELKER. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I shall be glad to yield in a moment, if the Senator will be so good as to wait.

The whole trouble with the argument of the Senator from Illinois, as I see it, is that he has left completely out of his computation the factor which is known as pricing a thing out of the market. That is what the committee is about to do so far as air mail is concerned. It is about to price the service out of the market.

The Senator from Tennessee and others have said, "Let us try this plan, and if we find that it does not work, we will try something else." That is a fine suggestion. Trial and error is one of the great institutions of mankind. However, what I want the committee to bear in mind is that the Congress of the United States, in the year of 1951, is proposing completely to change the formula for paying air lines for the transportation of mail. The new formula is now "in the works." In a few days the change will be made, and the subsidy will be paid—if any subsidy is paid—by someone other than the Post Office Department.

Mr. DIRKSEN and Mr. WELKER addressed the Chair.

Mr. JOHNSON of Colorado. I shall yield to the Senator from Idaho in a moment.



Now we have worked out a new basis, a new plan. Before we have an opportunity to put the plan in effect, here comes a boost in postal rates. All our figures and all the planning we have done in separating the subsidy from the payment for transportation of mail must go out the window, because there is no one alive who can accurately predict what the costs and revenues will be, or what will be the volume of mail carried.

I now yield to the Senator from Idaho.

Mr. WELKER. Mr. President, I wish to say to my distinguished friend from Colorado that I am a member of the Committee on Post Office and Civil Service. I tried to assist in working out the problem with respect to postal rate increases which confronts us at the moment.

I do not know how we are going to justify the increase on postal cards and the increase from 3 cents to 4 cents on first-class mail. I certainly agree with my distinguished friend from Colorado. I believe that if the air mail rate is raised from 6 to 8 cents we are going to price air mail service out of the market. I happened to have been engaged in the country practice of law in 1944 and 1945, when the rate was increased. I issued a blanket order in my office that from that day on, no matter how important a letter was, it should go by ordinary mail, because we could not afford to pay the increase in air mail rates.

Let me say to my distinguished friend from Colorado that that is what will happen. I do not know the answer. I am not going to vote to put the air-mail service out of business. Like my friend from Colorado, we on the west coast rely upon the air mail. If we go back to ordinary mail, it will require 5 days to get a letter from home. It requires only 1 day by air mail at the present time.

I do not wish to be critical of the committee, but I agree with my friend from Colorado that to a great extent if we increase the rate from 6 to 8 cents the volume of air mail will be reduced, because the American public simply will not pay the increased rate.

Mr. JOHNSON of Colorado. I appreciate what the Senator from Idaho has said. The committee should not be criticized. Certainly I do not wish to criticize the committee in the slightest degree. When it made this determination it did not have all the facts and factors before it, because they were not available. That is no reflection on the diligence of the committee. However, the facts are before us now.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. CHAVEZ. Perhaps I can give a little of the history and the results of the increased rates, for whatever it may be worth.

It so happened that I handled the legislation increasing the air-mail rate from 6 cents to 8 cents in 1944. A showing was made before the committee that possibly we would get more revenue than we were getting from the 6-cent rate, notwithstanding the facts that even up to that point air mail had been paying

for itself. After an experience of 2 years—and the committee records will show it—Postmaster General Hannegan and Mr. Donaldson, who is now the Postmaster General, as well as other witnesses, appeared before the committee to request that the rate be reduced, because they were going in the hole more and more. The people of the country, for reasons such as were indicated by the Senator from Idaho, and many businessmen could not afford to send air mail at the 8-cent rate. So far as the history of the subject is concerned, there is no question that an 8-cent rate will lose money.

Mr. JOHNSON of Colorado. I appreciate the statement of the Senator from New Mexico. I recall the time when the raise was made, Mr. Roy Martin, who was in charge of air mail at the Post Office Department, had several conversations with me, and he testified before the committee that it was the greatest mistake we had ever made. Revenues had decreased, the service had decreased, and everybody was a loser.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. In a moment I shall be glad to yield. First, I yield to the Senator from Wyoming.

Mr. HUNT. Mr. President, knowing how familiar the Senator from Colorado is with feeder lines in the West, agreeing with him that we are pricing the air-mail service out of the market when we raise the rate from 6 cents to 8 cents, and knowing, as the Senator knows, that when the feeder lines are first organized they are in a rather touch-and-go situation—and some of them have not been able to operate at all and have had to give up the ghost—I should like to ask the Senator this question: Since feeder lines are necessary, especially in the West—and I am talking about his State, my State, and the State of Idaho—is it not very possible that with a great decrease in the volume of air mail we would lose some of the feeder lines, which are so necessary to the development of our States?

Mr. JOHNSON of Colorado. In my opinion that is exactly what would happen; nothing else could happen. They would have to go out of business, because there would not be the tonnage available to help them along.

We are going to reduce the amount that they would receive for carrying the mail; at least that is the proposal in the bill which we are to take up tomorrow, if we can get to it. We come along with a reduction, which is not a teeny weeny reduction, but a great big reduction; indeed, almost a shocking reduction. On top of that we are going to price them out of the market by reducing the amount of mail that they are going to carry. I cannot help believe that we are making a great mistake.

Mr. HUNT. Mr. President, I should like to ask the Senator one other question. In the proposed separation of actual mail pay from subsidy we have not as yet provided a basis for contracts for the feeder lines, or any other lines, except the Big Four. There may be a lapse of time between the passage of the bill,

when subsidies are no longer paid, and before the contracts are entered into. If we decreased the volume of air mail handled by the small feeder lines we may in that period of time lose the services of the feeder lines in our States.

Mr. JOHNSON of Colorado. That may happen, because, as the Senator knows, the feeder lines are set up on an experimental basis. If the experiment proves that there is no mail to carry, of course the feeder line is going to go out the window. The airlines to which the Senator refers, namely those in Wyoming, Colorado, Idaho, Texas, and most of the other Western States, have certificates granted to them on an experimental basis. If the lines do not carry the mail they will have to close up shop.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield to the Senator from Nevada.

Mr. MALONE. Someone has mentioned the poor man's mail. Is that not what we are trying to do, namely, to make air mail available to the poor man? If we want to put it on that basis—and we are all poor—and relating the subject to transportation again, is it not a fact that the railroads have priced themselves out of over 70 percent of their freight by raising their freight rates in an effort to get more revenue.

However, instead of getting more revenue they have lost so much more freight to other forms of transportation.

Mr. JOHNSON of Colorado. They are getting empty coaches and empty freight cars.

Mr. MALONE. Yes. We are doing the same thing in Europe. The hand-raised economists and engineers asserted that what we needed in Europe was production. No one ever told them, until it finally happened, that what they needed was markets. So today we have overproduction in Europe by virtue of the industrial plants which the taxpayers of America have financed through the ECA. Now they know what anyone with experience could have told them and some of us did tell them that they must either sell in our markets in competition with our workers and industries, or they must sell to Russia and the Communist areas; they are doing both with our consent.

It seems to me that this is not the time, particularly in view of the fact that some of our colleagues, whose opinion I greatly respect, say they did not have the proper information in the committee in order to judge for themselves, to tinker with the rate.

Mr. JOHNSON of Colorado. The information was not available to them. It was not their fault. That is what I am trying to bring out.

Mr. MALONE. It seems a poor time to throw a monkey wrench into the corn sheller before the proper information is available.

I should like to take the opportunity to congratulate the Senator from South Carolina [Mr. JOHNSTON], because I understand he is amenable to putting off any vote on the two remaining postal bills until the minority leader of the



Post Office Committee, the Senator from North Dakota [Mr. LANGER] returns to the Chamber, he missed a close plane connection in his State last night. He has requested that we do not vote until he returns. I understand that the arrangement is agreeable to the Senator from South Carolina [Mr. JOHNSTON].

We have had so much experience with parallel cases. Air mail is something that we all want to use, regardless of our status in life. A poor man wants to use it. He would use it a great deal more at the 5- or 6-cent rate than at the proposed 8-cent rate. It occurs to the junior Senator from Nevada that we could probably increase the volume of air mail at a 5-cent rate and thus overcome what we now lose at 6 cents. The volume would increase if the rate should come down, not go up. It seems to me that we should not dabble with it when we are in the midst of an emergency, whether we like it or agree with it. This is just not the time to dabble with the rates for a service which in itself is new and in which improvements are coming so fast.

I believe that if Congress were to consider advice relative to the air mail service from people like Admiral Land, who actually has followed the development, and who understands such things, we might in time get a lower rate for the air mail service than the 6 cents that we are now charging.

Mr. JOHNSON of Colorado. I thank the Senator. The junior Senator from Illinois referred a short time ago to the committee which is working on a new tax bill. The distinguished Senator from Georgia [Mr. GEORGE] the chairman of the committee is present, as are several other members of the Committee on Finance. We are scraping the bottom of the barrel, trying to get a few shekels to meet the increased expenses of our Government. So I know that he is very much interested in what the Committee on Post Office and Civil Service is trying to do. What they are trying to do is to reduce the postal deficit. But their calculations are entirely incorrect when it comes to the rates for the transportation of mail by air line.

They expect that the result of the proposed change will be an increase of \$16,000,000 in revenues, but actually the result will be a decrease of approximately \$16,000,000 in revenues, as nearly as it is possible for those of us who have been following this matter and watching it very carefully to estimate. We estimate that the result of the proposed increase in rates will be a loss of approximately \$16,000,000 to the Post Office Department, and there will also be a great loss to the people of the United States who depend upon air mail, particularly to those of us who live in the far West or in other parts of the country distant from Washington and those of us who occasionally write letters to points across the seas. All those are affected, of course, by the committee's proposal.

I yield now to the Senator from South Carolina, Mr. President; and then I shall yield to the Senator from Idaho.

Mr. JOHNSTON of South Carolina. Mr. President, I want the Senate to realize that it is always a bitter and difficult task to undertake to raise taxes in any way. However, that is what the committee had to do.

The pending amendment would raise the rate on air mail from 6 cents to 8 cents. We felt that such an increase in the air-mail rate would be in keeping with the increase in the rate for ordinary mail from 3 cents to 4 cents. We realize that an increase in that rate will mean that first-class mail will be doing more than paying its way, for it is paying its way now.

However, we must consider this matter from a business standpoint. In business, when preferential treatment is given, it is charged for, as a matter of normal procedure. So we think that should be true in the present case.

The Senator from Colorado says the proposed increase in the air-mail rate would make those who use the air-mail service pay more than the cost of that service. However, I do not think that is true.

Mr. JOHNSON of Colorado. Of course, it is true, and we have the figures to show that it is true.

Mr. JOHNSTON of South Carolina. As I have pointed out, in view of the fact that it is now proposed to increase the rate on ordinary first-class mail from 3 cents to 4 cents, and the rate on postal cards from 1 cent to 2 cents, and the rate on special-delivery mail from 15 cents to 20 cents, in the opinion of the committee it is in keeping with the other rate increases to increase the rate on air mail; and we do not think the proposed increase in the air-mail rate will have an adverse effect on the volume of air mail.

It is suggested that the proposed increase would, if put into effect, drive some of the small feeder airlines out of business. However, the chairman of the Committee on Interstate and Foreign Commerce knows, does he not, that when the Post Office does business with a small feeder line, if that line is losing money, it receives a subsidy?

Mr. JOHNSON of Colorado. Such an airline may receive a subsidy.

Mr. JOHNSTON of South Carolina. But if that feeder line is making money, it does not receive a subsidy.

The result is that if in the future such a line is about to go into bankruptcy at a time when it is doing business with the Post Office Department, the line will receive a subsidy; but if the line is making money, it will not receive a subsidy.

So the proposed increase in the air-mail rate will not adversely affect feeder lines if they are qualified to do business with the Post Office Department. Some of them are not qualified to do business with the Department, and cannot be certified for that business. In that case, they will not be affected one way or another by the proposed increase, if it goes into effect; and the lines which are certified will receive a subsidy if they lose money.

Mr. JOHNSON of Colorado. They will not be certified if they are not rendering

the service; and they will not be rendering the service if the air mail is choked off. The matter is as simple as that.

The Senator disputes my figures, but I assure him that my figures are correct.

A moment ago the Senator said that for the domestic air mail service the United States receives \$74,120,000 from the 6-cent rate. However, the total cost of carrying the mail is less than half that amount, and that will be shown in connection with the bill which will be before the Senate tomorrow. So there is a profit to the Post Office Department in that connection.

Of course there is more to this matter than the actual transportation of the mail by airplane, for it is necessary to collect the mail at the point of origin and to distribute it at the point of delivery. However, even including the costs of all phases of the operation, the 6-cent rate gives the Government a profit of 20 percent.

#### INTENT TO GIVE SERVICE

Mr. MALONE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. FREAR in the chair). Does the Senator from Colorado yield to the Senator from Nevada?

Mr. JOHNSON of Colorado. I yield.

Mr. MALONE. Is there not another item which is important for us to consider? From the beginning of the postal service, the intent was to give service, regardless of whether the operation of that service entirely paid its own way.

Widespread distribution of periodicals and newspapers was deemed by the Congress to be a most important public service. So far as I know, no one has ever argued successfully that periodicals and newspapers are supposed to pay their way entirely in every case—information and news to the public was considered a necessary public service—and that was where the "postage stamp rate" expression originated—the same rate regardless of distance. If that were required in every case, the result probably would be a very large reduction in the number of periodicals and newspapers in circulation in our country.

The whole purpose of the postal service, when operated by the Government, was to give the people mail service and the news of the day. That was the purpose, both at the time the original 13 States became a Nation, when transportation was by means of horseback or wagon, and also later on, when the number of States in the Union was greatly increased and when there were more modern means of transportation.

With the advent of air-mail service, new problems arose. Air-mail service is of very little advantage on short hauls—for instance, from Delaware to New York or even as far as Ohio or Illinois—for between such points transportation by railroad makes overnight delivery of mail possible. However, at greater distances—for instance, to Kansas, the Rocky Mountain area, or points near to or on the Pacific coast—there is a definite advantage when airline transportation is used. In such cases, the difference between the time required for trans-



portation by airplane and the time required for the transportation of mail by railroad amounts to anywhere from 24 or 48 hours, in the case of shorter hauls, to as much as 3 or 4 days, in the case of points near or on the Pacific coast, because the trip from the east coast to the west coast requires approximately 4½ days by railroad, unless one is fortunate enough to be able to connect with one of the streamliners.

So it is important for us to remember in connection with these matters that the basic principle to be considered is that of rendering service. That was the purpose of the establishment of the postal service at the time the Original 13 States became the United States, when cruder forms of transportation were the only ones available, and it still is the purpose at the present time when transportation by railroad or by airplane is available to the 48 States.

Likewise, we must remember that at the present time the postal service is in an experimental stage, in connection with the question of whether airplane service or railroad service should be used, just as the service was in a somewhat comparable experimental stage at the time when the Thirteen Original States were expanding as the population moved westward and as the postal service had to be modified or changed.

So I stress the point that the Congress, representing the Government, has always tried to give the people service by means of the Post Office Department and its operations; and the Congress has tried to arrange for the most satisfactory service possible, together with the least possible loss of revenue and the smallest possible charge to the taxpayers. That was the purpose and the policy at the time when there were the Thirteen Original States; and it is the purpose and the policy today, in the case of the present 48 States and the transportation of mail for as long a distance as 3,000 miles from coast to coast.

As I have already pointed out, today the real advantage of air mail is in the case of mail which is going long distances, either to the extreme South or the extreme North or from the east coast to points west of the Mississippi River.

I should like to ask the distinguished Senator from Colorado whether the matter of service has been overlooked or forgotten. I refer to some sort of equal service for the entire Nation, not just for a few States on the eastern coast or a few States which are within overnight reach by means of railroad transportation.

In the experimental stage, have we reached the point at which we can see our way to make the postal service pay its own way in giving equal service not only to points close to one another, but also to distant points, and in giving equal service to both rich and poor?

I hope to see the day in the not far distant future when all mail can be carried by airplane.

Mr. JOHNSON of Colorado. In answer to the Senator's question, I may say I am afraid that the service element has been overlooked. When the founding fathers established the postal service they had one charge, regardless of dis-

tance, because they were dealing with one country. I suppose they reasoned that having one charge regardless of distance tended to unite the country and to bring the people together, to hold them as one country; and that is a very important point.

Under the bill the Senator from Illinois could send a letter to Chicago by train for 4 cents, and it would be delivered tomorrow; but the Senator from Nevada, if he wrote a letter home and sent it by train, would find that it took 3 days to deliver it. If he sends it by air, he will have the same kind of service which the Senator from Illinois has. The Senator from Illinois pays 4 cents, and he is now trying to make the Senator from Nevada pay 8 cents for the same type of service.

Mr. DIRKSEN rose.

Mr. MALONE. Mr. President, will the Senator yield further?

The PRESIDING OFFICER (Mr. HUNT in the chair). Does the Senator from Colorado yield, and if so, to whom?

Mr. JOHNSON of Colorado. I yield further to the Senator from Nevada, after which I will yield to the Senator from Illinois.

Mr. MALONE. I should like to ask a question of the distinguished Senator from Colorado, because he is a member of a very important committee of this body, a committee which from the time the Senator became a member of it, several years ago, until the present time, has kept pace with the transportation and mail service of the country, is not the time almost here when all first class mail may be carried to central points by air, under contract, and carried almost as cheaply as it is now?

If a thorough investigation were made, would it not disclose in all probability that air mail could be carried almost as cheaply as first class mail is carried, if we raise the present rate to 4 cents?

Mr. JOHNSON of Colorado. I am sure all the first class mail could be carried on the airlines for 4 cents, and the Post Office Department would make a profit.

Mr. MALONE. Then we are now dabbling in this matter and trying to put off rather than trying to bring nearer the day when such a service might be available. Is not that true?

Mr. JOHNSON of Colorado. The Senator is entirely correct. I now yield to the Senator from Illinois.

Mr. DIRKSEN. I am a little astounded by the inference left by the Senator from Nevada and by the Senator from Colorado, that if the proposed increase in the air-mail rate is inaugurated, suddenly the whole air-mail structure is going to collapse, and we could no longer send by air mail a letter to Reno, Pueblo, Trinidad, or Denver, or to any other place in the West.

Mr. JOHNSON of Colorado. No one has said that.

Mr. DIRKSEN. That was the inference, as understood by the Senator from Illinois.

Mr. MALONE. I say it would cost about twice as much as it ought to cost.

Mr. DIRKSEN. The increase is only in proportion to the first-class-mail rate. It is less on post cards.

I wish to make a further observation to the Senator from Colorado. The same argument about pricing the postal service out of the market can be made regarding every item in the bill. Why not say that people will no longer use post cards because the committee suggests that they may have to pay an increased rate, an increase from 1 cent to 2 cents? Since first-class mail has been a money maker ever since it originated, why not ask why we should put a load on it? Why add another cent, increasing it from 3 cents to 4, because, to do so, would be to price the service out of the market?

Mr. JOHNSON of Colorado. The Post Office Department is anxious to drive the postal card out of the market.

Mr. DIRKSEN. As a matter of fact, the Post Office Department was not particularly in favor of an increase on anything; particularly in the case of first-class mail, on the ground that it was self-supporting and carried its own load pretty well.

But I should like to have some Senator rise on this floor, suggesting for the committee—I am not a member of the committee—where we are to get the money with which to meet the \$550,000,000 deficit. It is suggested that we can charge off a portion of it to certain benefits, such as the general enlightenment of the public and that sort of thing. Very well. Say that to the Budget Bureau, so that when it comes to the Congress those items will be reflected in the budget, and we may get a pretty scientific approach to the subject. But it has not been done. Congress, thus far, has not recognized the amorphous effect of benefits to the public, assigned to the Post Office Department, and it does not then say to the Post Office Department, "All right; just include a \$2,000,000,000 item in your budget merely for cultural advantages, social benefits, and that sort of thing."

Until that is done, the committee has no choice except to find in the postal-rate structure the money to pay for the service, unless we want to continue year after year with an unblanced postal budget. I simply say that in my judgment it is not good housekeeping on the part of either the Post Office Department, the Congress, or the Federal Government.

Mr. MALONE. Mr. President, will the Senator from Colorado yield?

Mr. JOHNSON of Colorado. I first want to reply to the Senator from Illinois, because he has left the door so wide open that we could almost move the Capitol through it. He asks, "Where are we to get the money?" I wish to say to him that we are not going to get the money by pricing the air-mail out of the market. We are not going to get more money, we will get less money, if the rate goes from 6 cents to 8 cents; and that is what I have been trying to tell the Senator.

He says we ought to follow a logical, well-established rate-making program; and I agree with him. If that were done, and if all the facts which we have before us at the present time were before any rate-making body, I do not believe for 1 minute that there would be



any proposal to increase the air-mail postal rates, which are already on a profit basis, from 6 cents to 8 cents.

Mr. DIRKSEN. Mr. President, will the Senator yield briefly at that point?

Mr. JOHNSON of Colorado. I promised to yield to the Senator from Nevada, who wants to make reference to what the Senator just said.

Mr. MALONE. I will wait.

Mr. DIRKSEN. I was just going to say to the Senator from Colorado that if that is good logic, then we ought to say to the members of the Senate Finance Committee, "Do not increase the excise tax on gasoline, because it will price it out of the market."

Mr. MALONE. That is correct.

Mr. DIRKSEN. "Do not increase the tax on any article, because it would simply drive it out of the market."

Mr. JOHNSON of Colorado. Oh, no.

Mr. DIRKSEN. What is the difference?

Mr. JOHNSON of Colorado. There is a great difference. It is a matter of degree, it is a matter of common sense, it is a matter of logic, and it is a matter of experience. We have the experience before us.

We at one time tried to advance the cost of sending an air-mail letter from 6 cents to 8, and it reacted disastrously. We lost several million dollars a month because of that experiment. That is a matter of experience. It is not merely a matter of arbitrarily raising the price and saying that the new price will drive an article out of the market. That does not follow at all. Some advances can be made without pricing an article out of any market, but there are certain increases which would have the effect of pricing something out of the market, and the increase in the air-mail rate is one of them. I now yield to the Senator from Nevada.

Mr. MALONE. In a matter of the increase in the tax on gasoline, we all know that the prices at some of the stations are up as high as 5 cents a gallon; but it has never resulted in a decrease in the use of gasoline. The highest increase is 6 cents—or, as a Senator sitting near me suggests, 7 cents; so an increase of 5 cents will probably not result in the use of 1 gallon less. That is one article the price of which, as experience shows, can be raised without a decrease in the consumption. Whether it should be raised is another matter, a matter for the committee to consider.

This committee has apparently never heard of the law of diminishing returns, but it is one thing which those who serve on any public service commission, railroad commission, even on the Interstate Commerce Commission, must learn in the primer class. One of the chief worries of one of the commissions when it raises a freight rate, or raises any other kind of rate, is whether it will result in additional revenue. That is one of the chief questions before the Senate at the present time, and when we look into the effect on sales of gasoline, or of something else, we find that as a result of the tax the consumption has never decreased appreciably in the major cases.

The law of diminishing returns, how-

ever, is a matter which requires study. Even the statements of the members of the committee show they have very little familiarity with it. So far as I am concerned, I am willing to take the statement and the evidence of the distinguished Senator from Colorado [Mr. JOHNSON] that the committee did not have the necessary information to show that there would not be an actual reduction in the revenues.

Further, the junior Senator from Nevada wants to make air mail a poor man's method of sending letters, and not try to make it an exclusive matter with some of us who have a certain amount of money appropriated by the Government to us. Let us not restrict it to Senators, Representatives, and engineers; let us permit the little man to send an air-mail letter. Let a miner who wants to open up a mine in Colorado or Nevada use the air mail. The chances are he will get nothing from it if we continue the policies which we have been putting into operation for the past several years.

I like the study which the Senator has made, and I believe he is actually working for transportation of all first-class mail by air within a reasonable time.

I have seen Senators vote for the expenditure of \$17,000,000,000, \$10,000,000,000, \$5,000,000,000. It sounds like the old Amos and Andy program. They had to get an entirely new program, because we simply laughed them off the air. But the Senate voted for such large amounts. We are going into a long deficit-spending era. If we are going to do that, let us do something for the little miner in Colorado, Idaho, and Nevada, and the little fellow in upper New York, who might be able to save 8 hours by sending their letters by air mail. Let us have some kind of an American program. If we lose a couple of dollars on an American, we have a chance to get it back.

Mr. JOHNSON of Colorado. We are not going to lose if we stick to the 6-cent rate. But if we go to the 8-cent rate we are going to lose a large amount of money.

Mr. President, I ask unanimous consent to insert in the RECORD at this point two statements prepared by myself.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

#### COMMENTS ON REPORT ON S. 1046

As amended by the Committee on Post Office and Civil Service, S. 1046 contains section 1 (d), which would increase the postage rate on air mail from 6 cents an ounce to 8 cents an ounce, and on air post-cards from 4 cents to 5 cents.

As indicated in its report on the bill, the committee desired to reduce the air-mail deficit in the Post Office Department, and concluded that in order to do so it was necessary to increase the air-mail postage rate. The committee believed that the proposed increases would reduce that deficit by about \$16,700,000.

The committee's objectives are praise worthy but its conclusions are not sound and the proposed increases for air mail should be rejected, because its calculations are erroneous.

1. The committee calculated the additional revenue which it expected the pro-

posed increases would produce by applying those increases to the number of pieces of first-class air mail carried in the fiscal year 1950. Experience shows that due to the sensitivity of the volume of air mail to increases in the postal rate, this procedure is a dangerous oversimplification. It is conservatively estimated that a 33½-percent increase in the postal rate, that is from 6 to 8 cents, will result in a reduction of anticipated volume of air mail, for each of the fiscal years 1952 and 1953, of 25 percent, or some 8,750,000 pounds each year. You cannot properly determine what, if any, additional revenue will be produced by the increase by simply using the figures for the fiscal year 1950.

2. In the second place, the financial benefit which the committee believes would result from the proposed increase will accrue to the Post Office, without any increase in rate, because of the drastic reductions recently made in the rates of payment to the air lines for carrying air mail.

The committee believes that the increase would reduce the air-mail deficit by some \$16,700,000. In the calendar year 1951, due to the drastic reductions which have been made in the mail rates paid to the airlines for carrying domestic air mail, there will be an annual saving to the Post Office Department of over \$16,000,000. Obviously a reduction in air-mail expenses will have the same beneficial effect in reducing any air-mail deficit in the Post Office Department as would an increase in postal revenues of an equal amount. These rate reductions were not available to the committee during the hearings on the bill. Through no fault of the very diligent and capable Postal Committee, they did not have all of the latest information on the subject. Something has happened.

3. Finally, and of the utmost importance, the passage by the Congress of the so-called subsidy separation bill will result in the Post Office Department's making an annual profit from air mail of at least 20 percent. The Interstate and Foreign Commerce Committee of the Senate, on August 9, 1951, reported favorably S. 436, which will separate subsidy from the compensation paid to the airlines for carrying air mail. In all likelihood S. 436 will be enacted during this Congress. This legislation will require the removal from Post Office Department accounts of any subsidies being paid to the airlines. This legislation will result in showing a profit for air mail. For example, enactment of S. 436, on the basis of the present 6-cent rate and a volume similar to that anticipated for the calendar year 1951, would result in the Post Office Department making an annual profit from air mail in excess of \$12,000,000.

I might add that the committee apparently also felt that air-mail rates should be readjusted since other first-class-mail rates were being readjusted. Air-mail rates were readjusted as recently as January 1, 1949, when the rate was increased 20 percent—from 5 to 6 cents. If the proposed additional increase were approved, the charge to the public for air mail would have been increased from 5 cents on January 1, 1949, to 8 cents on the effective date of this bill—a 60-percent increase. Air-mail users would have every right to insist that they were being discriminated against by this latest readjustment, since none of the other increases proposed in S. 1046 would approach the increase in air-mail postage since January 1, 1949.

#### AIR-MAIL POSTAGE RATES SHOULD NOT BE INCREASED

S. 1046, as amended by the Senate Committee on Post Office and Civil Service, would increase the postage on air mail from 6 cents an ounce to 8 cents an ounce. This



proposal should not be adopted for the following reasons:

1. ON THE BASIS OF THE PRESENT 6-CENT RATE THE POST OFFICE DEPARTMENT WILL SHOW A SUBSTANTIAL PROFIT FROM AIR MAIL

In proposing an increase in air mail postage, the committee had before it the Post Office Department's cost ascertainment report of 1950, which showed an estimated deficit for air mail of \$35,000,000 for the fiscal year ended June 30, 1950. Since the conclusion of the committee's hearings such important developments relating to air mail have occurred as to render that report obsolete as a basis of future action.

In the first place, current experience indicates that in the calendar year 1951 there will be nearly a 50 percent increase in the volume of air mail carried, as compared with fiscal 1950. The resulting tremendous increase in revenue to the post office will not be accompanied by an even comparable increase in post office expenses, including payments to the air carriers. These expenses are expected to increase only 17 percent. Payments to the air carriers, for example, are estimated to be only \$2,500,000 more than the payments made in fiscal 1950, inasmuch as the reductions in transportation charges (referred to below) will virtually offset completely the tremendous increase in volume.

In the second place, subsequent to the committee hearings on S. 1046, drastic reductions have been made in the transportation charges by the air mail carriers. As a result of the recent settlement of the rate case involving the Big Four airlines (American, Eastern, TWA and United), which transport 80 percent of the air mail, \$3,600,000 will be returned to the Government, applying to the years between 1947 and January 1, 1951. The rates of these carriers were reduced from approximately 63 cents per ton mile to 45 cents per ton mile, beginning January 1, 1951, resulting in an annual saving to the Post Office Department of about \$7,600,000 for these carriers alone. By reason of a sliding scale formula which automatically adjusts the rates of the other trunklines, their transportation charges will be reduced from \$2.78 per ton mile, for fiscal 1950, to \$1.91 per ton mile, for the calendar year 1951. On the basis of this reduction, the Post Office Department will realize an annual saving of approximately \$8,700,000 from these smaller carriers. Thus an annual saving in domestic transportation charges by the airlines of approximately \$16,800,000 is anticipated, which could not have been taken into account by the Post Office Committee when it recommended the air mail postage increase. On the basis of anticipated volume for calendar year 1951, and the reduced transportation charges which will be in effect for that period, it is estimated that, including subsidy payments to the airlines, the deficit in the post office from air mail will be reduced to less than \$19,000,000.

Moreover, the Senate Interstate and Foreign Commerce Committee, on August 9, 1951, reported favorably on a bill, S. 436, which will separate subsidy from mail compensation. In all likelihood S. 436 will be enacted during the present Congress. It will require the removal from Post Office Department accounts of any subsidies being paid to airlines. This legislation will result in showing a profit from air mail. For example, amendment of S. 436, on the basis of a 6-cent rate and a volume similar to that anticipated for the calendar year 1951, result in the Post Office Department's making an annual profit from air mail in excess of \$12,000,000.

None of the above information was available to the committee when it recommended the proposed increase in air-mail postage

2. IT IS UNNECESSARY, TO ACCOMPLISH THE FINANCIAL RESULT DESIRED BY THE SENATE COMMITTEE ON POST OFFICE AND CIVIL SERVICE, TO INCREASE THE AIR-MAIL POSTAGE RATE

The committee proposed the increase in air mail postage on the basis of an estimation that the increase would produce approximately \$16,750,000 additional revenue from the carriage of domestic, first-class, air mail. The committee reached that conclusion by applying to the number of pieces of first-class air mail carried in fiscal 1950, as disclosed in the Cost Ascertainment Report of 1950, the proposed increase in rates. Experience with the sensitivity of the volume of air mail to increases in the air mail postage rate demonstrates that the committee's reasoning was erroneous.

The present 6-cent rate was arrived at by Congress after considerable experimentation with the air mail postage rate in order to secure the maximum revenue from air mail. The 6-cent rate was inaugurated in 1934. During the war an 8-cent rate was established, and the volume of air mail dropped severely—from 1,091,000,000 pieces in fiscal 1944 to 716,000,000 pieces in 1946. Revenue dropped from \$8,500,000 monthly in fiscal 1944 to \$6,770,000 in 1945—a drop of 11.2 percent. While a portion of this reduction resulted from the decrease of military mail, a major part was clearly attributable to the high rate, because the percentage of air mail to total first-class mail dropped during this period from 5.02 percent to 3.68 percent.

By reason of this reduction in volume, air mail postage was reduced to 5 cents on October 1, 1946. In 1 month, air mail increased 40 percent. The first 9 months of 1947 saw increases which ranged from 42 percent to 53 percent.

In an effort to derive more revenue from air mail without disturbing this favorable trend, the postage rate was increased cautiously to 6 cents an ounce on January 1, 1949. Even this modest increase resulted in a slight reduction in volume of the mail to which the rate applied—from 33,000,000 pounds in 1949 to 32,000,000 pounds in 1950. There can be no doubt that the postage rate increase caused this reduction, because the trend of total first-class mail was in the opposite direction. While the air mail lost a million pounds, the surface first-class mail gained approximately 12,000,000 pounds.

From this record it appears that Congress has already proved that the existing rate is as high as air-mail postage should go. An increase to 8 cents will repeat a mistake made before with disastrous consequences. If the Post Office Committee's proposal is adopted, annual air-mail volume will be reduced by 25 percent, or 8,750,000 pounds. It is no answer to say that in view of the general inflation the public would be willing to pay the additional 2 cents for air mail, and that for that reason no reduction would be suffered. In the first place, this is disproved by the fact that even the modest increase of 1 cent in 1949 resulted in a reduction of a million pounds annually. In the second place, if this rate increase is put into effect, the air-mail rate will have been increased from 5 cents on January 1, 1949, to 8 cents on the effective date of this legislation—an increase of 60 percent. During this time, the consumers' price index indicates a general rise of prices of slightly less than 1 percent. In addition, users of air mail will be affected by the fact that the spread between the cost of surface mail and air mail has been increased from 3 cents to 4 cents per ounce. In the case of large mail users who provide the bulk of the air mail, this increase in spread alone will require them to shift some of their mail now going by air back to the surface.

In view of the foregoing, it is apparent that in determining the additional revenue

which a rate increase of 33½ percent would yield, it is an oversimplification to use the volume of air mail carried in fiscal 1950.

However, and of much greater importance, it is not necessary for the committee to increase the air-mail postage rate in order to accomplish its objective. As indicated above, due to the drastic reductions made in transportation charges by the air-mail carriers, there will be an annual saving to the Post Office Department, in payments made to the airlines for the transportation of domestic air mail, of well over \$16,000,000 in calendar 1951. Obviously a reduction in expenses will have the same beneficial effect in reducing any air-mail deficit in the Post Office Department as would an increase in postal revenues of an equal amount. It is not necessary, therefore, to increase the air-mail postage rate.

3. THE PROPOSED INCREASE WOULD DIVERT A SUBSTANTIAL AMOUNT OF AIR MAIL TO SLOWER SURFACE CARRIERS, WHOSE CHARGES TO THE GOVERNMENT ARE INCREASING

As stated above, the proposed increase in air-mail postage would reduce the volume of air mail by some 8,750,000 pounds. Much of this volume would, of course, be diverted to the railroads. Unlike the air carriers, the railroads have increased their rates to the Government for carrying mail and are requesting further substantial increases. A recent order of the Interstate Commerce Commission increased by 49 percent the rates charged by the railroads for the carriage of mail, resulting in an increase of \$312,000,000 for the period February 1947 through December 1950. Moreover, in a case now pending before the Commission, the railroads are requesting a total increase of approximately 95 percent. Notwithstanding this, the proposed increase in air mail would reward the railroads by transferring to them annually the bulk of the 8,750,000 pounds that would be diverted from the airlines, and would penalize the airlines, who have so drastically reduced their rates to the Government, by depriving them of that poundage.

Not only would this result be inequitable, but, in a larger sense, it would be contrary to the national public interest. It is obvious that the trend should be toward the speedier and more expeditious delivery of mail, rather than in the other direction. More important, the national defense requires that the civil air transport fleet, which in time of war serves as an auxiliary to military aviation, be expanded as rapidly as possible.

4. THE PROPOSED INCREASE WOULD ADD ONE MORE RESTRICTION TO THOSE ALREADY IMPOSED UPON POTENTIAL USERS OF AIR MAIL

The proposed 2-cent increase would simply add one more restriction to those which now operate to limit the volume of air mail. Even now, potential air-mail users are subject to discrimination in that (a) only the railroads can haul Government agency mail (this amounts to twice as much as all the air mail carried by all the airlines); (b) the official mail of a Congressman or Senator must be sent by rail, no matter how important. If it is to go by air, he must buy the postage from his budget; (c) second-class magazines and newspapers can only go by rail; and (d) while air parcel post is available, the rates are set five times as high as surface parcel post.

5. THE PROPOSED INCREASE WOULD DISCRIMINATE AGAINST AIR-MAIL USERS

As indicated by its title, S. 1046 has as its purpose the "readjustment" of postal rates. Not all classes of mail, however, are included in the readjustment.

It should be remembered that the air-mail postage rate was readjusted as recently as January 1, 1949, when the rate was increased 20 percent from 5 cents to 6 cents. If S. 1046



were to be adopted, therefore, the charge for air mail would have been increased from 5 cents, on January 1, 1949, to 8 cents on the effective date of the bill. Thus a 60-percent increase would have been imposed upon users of air mail within the past 2½ years. Air-mail users would have every right to insist that they were being discriminated against by this latest "readjustment," since none of the other increases proposed approach the air-mail postage increase since January 1, 1949.

#### 6. THE PROPOSED INCREASE IS NOT SUPPORTED BY OFFICIAL RECOMMENDATIONS

In his message to the Congress with respect to increases in postage rates (H. Doc. No. 65, February 27, 1951), the President did not recommend any increase in air-mail postage. Moreover, the Postmaster General in his testimony before the Senate Post Office Committee did not recommend any such increase.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado. [Putting the question.] The "ayes" seem to have it—

Mr. JOHNSON of Colorado. Mr. President, I ask for a division.

Mr. DIRKSEN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hennings	McMahon
Bennett	Hill	Millikin
Benton	Hoey	Moody
Butler, Md.	Holland	Mundt
Butler, Nebr.	Humphrey	Murray
Cain	Hunt	Neely
Capehart	Ives	Nixon
Carlson	Jenner	O'Connor
Chavez	Johnson, Colo.	O'Mahoney
Clements	Johnson, Tex.	Pastore
Cordon	Johnston, S. C.	Robertson
Dirksen	Kefauver	Russell
Douglas	Kerr	Schoeppel
Duff	Kilgore	Smathers
Dworshak	Lehman	Smith, Maine
Ecton	Long	Stennis
Ellender	Malone	Taft
Frear	Martin	Underwood
Fulbright	Maybank	Welker
George	McCarthy	Williams
Gillette	McClellan	Young
Hayden	McFarland	
Hendrickson	McKellar	

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON] is absent by leave of the Senate.

The Senator from Mississippi [Mr. EASTLAND] is absent because of illness.

The Senator from Virginia [Mr. BYRD], the Senator from Texas [Mr. CONNALLY], and the Senator from Rhode Island [Mr. GREEN] are absent on official business.

The Senator from Washington [Mr. MAGNUSON], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Alabama [Mr. SPARKMAN] are absent by leave of the Senate on official business, attending the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Oklahoma [Mr. MONRONEY] is necessarily absent.

The Senator from North Carolina [Mr. SMITH] is absent by leave of the Senate, attending the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

Mr. HENDRICKSON. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from South Da-

kota [Mr. CASE], the Senator from Missouri [Mr. KEM], and the Senator from Minnesota [Mr. THYE] are absent on official business.

The Senator from Ohio [Mr. BRICKER], the Senator from Vermont [Mr. FLANDERS], the Senator from Oregon [Mr. MORSE], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Utah [Mr. WATKINS], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Wisconsin [Mr. WILEY] are absent on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Michigan [Mr. FERGUSON] is absent by leave of the Senate to attend the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from California [Mr. KNOWLAND], and the Senator from New Jersey [Mr. SMITH] are absent by leave of the Senate on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Massachusetts [Mr. LODGE] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The Senator from North Dakota [Mr. LANGER] is detained on official business.

The PRESIDING OFFICER. A quorum is present.

The question is on the amendment of the Senator from Colorado [Mr. JOHNSON] on page 14 to strike out subdivision (d).

Mr. JOHNSON of Colorado. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. JOHNSTON of South Carolina. Mr. President, I call the attention of the Senate to the fact that the amendment offered by the Senator from Colorado would strike from the bill revenue of almost \$17,000,000. That is the estimate made, not by my committee but by the Post Office Department, after making a study of the subject.

Mr. DIRKSEN. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON] is absent by leave of the Senate.

The Senator from Virginia [Mr. BYRD], the Senator from Texas [Mr. CONNALLY], and the Senator from Rhode Island [Mr. GREEN] are absent on official business.

The Senator from Mississippi [Mr. EASTLAND] is absent because of illness.

The Senator from Washington [Mr. MAGNUSON], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Alabama [Mr. SPARKMAN] are absent by leave of the Senate on official business, attending the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Oklahoma [Mr. MONRONEY] is necessarily absent.

The Senator from North Carolina [Mr. SMITH] is absent by leave of the Senate, attending the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

Mr. HENDRICKSON. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from South Dakota [Mr. CASE], the Senator from Missouri [Mr. KEM], and the Senator from Minnesota [Mr. THYE] are absent on official business.

The Senator from Ohio [Mr. BRICKER], the Senator from Vermont [Mr. FLANDERS], the Senator from Oregon [Mr. MORSE], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Utah [Mr. WATKINS], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Wisconsin [Mr. WILEY] are absent on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Michigan [Mr. FERGUSON] is absent by leave of the Senate to attend the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from California [Mr. KNOWLAND], and the Senator from New Jersey [Mr. SMITH] are absent by leave of the Senate on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Massachusetts [Mr. LODGE] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The Senator from North Dakota [Mr. LANGER] is detained on official business.

If present and voting, the Senator from New Jersey [Mr. SMITH] and the Senator from Utah [Mr. WATKINS] would each vote "nay."

The result was announced—yeas 18, nays 49, as follows:

YEAS—18		
Capehart	Kilgore	Mundt
Chavez	Long	Murray
Hunt	Malone	O'Mahoney
Jenner	McFarland	Schoeppel
Johnson, Colo.	Millikin	Welker
Kerr	Moody	Young
NAYS—49		
Aiken	George	McClellan
Bennett	Gillette	McKellar
Benton	Hayden	McMahon
Butler, Md.	Hendrickson	Neely
Butler, Nebr.	Hennings	Nixon
Cain	Hill	O'Connor
Carlson	Hoey	Pastore
Clements	Holland	Robertson
Cordon	Humphrey	Russell
Dirksen	Ives	Smathers
Douglas	Johnson, Tex.	Smith, Maine
Duff	Johnston, S. C.	Stennis
Dworshak	Kefauver	Taft
Ecton	Lehman	Underwood
Ellender	Martin	Williams
Frear	Maybank	
Fulbright	McCarthy	
NOT VOTING—29		
Anderson	Eastland	Langer
Brewster	Ferguson	Lodge
Bricker	Flanders	Magnuson
Bridges	Green	McCarran
Byrd	Hickenlooper	Monroney
Case	Kem	Morse
Connally	Knowland	Saltonstall



Smith, N. J.      Thye      Wherry  
Smith, N. C.      Tobey      Wiley  
Sparkman      Watkins

So the amendment of Mr. JOHNSON of Colorado to the committee amendment was rejected.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. RUSSELL. Mr. President, I move to strike out section 12 on page 30, which is the provision contained in lines 19 to 25, inclusive.

As is well known, the Post Office Department of the United States has been operating under an annual deficit of more than a half a billion dollars. Last year that deficit was, in round figures, \$546,000,000. That is the sum which it has been necessary to take from taxes paid by the American people in order that the Post Office Department might be operated.

There can be little justification in this land of ours for operating the Post Office Department at such a substantial deficit. The delivery of the mails and the other services rendered by the Post Office Department constitute a Government monopoly. Years ago the Congress should have shown the courage and taken the time to devise a means to make the Post Office Department self-sustaining. This bill is supposed to be a step in that direction. It is proposed to increase the rates for the various classes of mail matter carried by the Post Office Department in order to reduce the deficit.

It is estimated that next year this bill would produce in the neighborhood of \$375,000,000. So even if we were to enact the bill and stop there, we would still have a deficit of approximately \$171,000,000 in the operation of the Post Office Department.

But, Mr. President, following this bill is one to increase the salaries of postal employees. According to the committee, it is estimated that that bill will require about \$204,000,000. I believe it is absolutely necessary for Congress to take some action to improve the condition of the Nation's postal employees. It is necessary for us to increase their salaries. If we leave in the bill the provision which my amendment seeks to strike, it will increase the cost of the postal service from 100 to 150 million dollars, according to the Postmaster General.

Instead of having reduced the deficit if section 12 remains in the bill, we may find that we shall have increased it. We will have imposed this tremendous increase in rates and postal charges on the American people and only reduced the deficit by about \$21,000,000 even if the figures of the committee are correct.

The provision in the bill which my amendment would strike provides for a reinstatement of two or three deliveries of mail a day in residential areas. The Postmaster General, in a letter which appears at pages 25 and 26 of the report, points out that the one delivery service in residential areas in cities was put into effect under the direction of Congress in a committee report, and he quotes from that report. He states that if the second delivery is reinstated it will cost from \$100,000,000 to \$150,000,000 per year.

If we raise the wages of postal employees, as I assume we will, the cost of multiple deliveries will certainly be nearer \$150,000,000 than \$100,000,000.

We have been getting along pretty well for the past several months with only one delivery of mail a day in residential areas. Why should we reopen the subject and reinstitute two or three deliveries of mail a day in residential areas, and thereby continue a deficit in the Post Office Department of more than \$500,000,000?

It seems to me that it is completely unnecessary and unjustified, in a time when we are running a deficit, to borrow money to deliver mail two or three times a day in residential areas.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. RUSSELL. Yes.

Mr. ROBERTSON. I have read in David Lawrence's weekly news letter that, depending on the rate at which the defense agencies spend the money, we are headed for a deficit of between \$10,000,000,000 and \$20,000,000,000, and that, therefore, a new tax bill next year will be categorically imperative. Whatever is lost in the operation of the Post Office Department must be made up from the general fund.

Mr. RUSSELL. We would have to borrow the money.

Mr. ROBERTSON. We would borrow the money.

Mr. RUSSELL. To operate the Post Office Department?

Mr. ROBERTSON. Whether we put the burden on the people in the form of taxes or whether we burden them through inflation, it will certainly hurt them more than they would be hurt by one delivery a day. I agree with all the Senator from Georgia has stated.

Mr. RUSSELL. I thank the Senator from Virginia. At a time when American men are fighting in Korea and giving up their lives, and at a time when we are asking the taxpayers of the Nation for unparalleled contributions to the National Treasury in order to carry on the defense of our country, it seems to me that we could at least save \$150,000,000 and let the American people in residential areas struggle along with one delivery of mail a day. It would impose no great hardship on them. We still have special-delivery service. If anyone wants to have a letter delivered quicker or in shorter time than is provided by the regular mail delivery, all he has to do is to pay the special-delivery charge, and the Post Office Department will send a letter out under special escort.

I do not see how we can possibly justify adding such a charge when we know we will pass the postal workers' salary increase bill as soon as we conclude action on the pending bill. The amendment I propose will afford a pretty good test for Senators who have any idea of bringing about some economy in Government. Anyone who is willing to have economy in government should be willing to limit the delivery of mail in residential areas to once a day. It seems to me that we would put ourselves in an impossible position, if we increased

the postal rates and then proceeded to wipe out the gain by increasing the salaries of postal workers and by increasing the deliveries of mail in residential areas to more than one a day.

If there is any place on earth where we can save \$100,000,000 or \$150,000,000 without working any great hardship on the American people it is by eliminating this provision of the bill. I hope the Senate will not wipe out all the good accomplished by increasing postal rates through a frittering away of money which should be applied to a reduction of the deficit.

Mr. HUNT. Mr. President, will the Senator yield further?

Mr. RUSSELL. I yield.

Mr. HUNT. Is there any great demand at this time for the inclusion of section 12? There was such a time perhaps, when the Postmaster General put the order into effect, but I have had no mail in my office for the past 6 or 8 months indicating that there is any need for a return of multiple delivery in residential districts.

Mr. RUSSELL. I have heard of no great demand. I am frank to say, however, that there are sources that could originate such demands and we could have a great many letters and telegrams on our desks demanding multiple delivery. However, we would not be justified, at a time such as this, and under present conditions, in providing multiple delivery even if we got as many as 10,000,000 letters and telegrams on the subject. I appreciate the attitude of the Senator from Wyoming.

Mr. HUNT. At this time there is a great shortage of manpower throughout the United States. It takes an able-bodied man to deliver the mail. Would not the provision under discussion draw tremendously from men who ought to be in industry supporting our defense effort, and merely add a frill to our postal service which, to my mind is not needed?

Mr. RUSSELL. I thank the Senator for his very pertinent observations.

Mr. HUNT. Is this not a grand opportunity for economy-minded Members of the Senate to demonstrate their sense of economy by voting for the amendment which will save, as the Senator from Georgia has stated, between \$100,000,000 and \$150,000,000?

Mr. RUSSELL. If we cannot deny ourselves multiple mail delivery during present conditions, we may as well abandon all talk of economy because only talk will be left if we cannot take action which would result in this saving.

Mr. HUNT. The reinstating of the multiple-delivery service depends on what action the Congress may take on the recommendation of the Committee on Appropriations. As the bill now stands, we are confronted with a directive of Congress to the Postmaster General to restore the service. Congress would say to the Postmaster General: "You will restore it; you will restore it regardless of appropriations." In the end the Post Office Department would have to come to Congress for a supplemental appropriation. Is that not correct?



Mr. RUSSELL. Section 12 is undoubtedly a mandate to the Postmaster General directing him to restore the service.

Mr. HUNT. Does the Senator realize also that this bill provides for an overall study and a thorough investigation of the postal service? Therefore, would it not be wise for us to wait for a restoration of the service until such time as the report on the survey is made?

Mr. RUSSELL. We certainly should at least wait for the report.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. RUSSELL. Yes.

Mr. HUMPHREY. I wish to say to the Senator from Georgia that I have been moved by his remarks. I was one of those who felt that we ought to restore the multiple-delivery system. That was when it was first eliminated. Since that time something has happened which is far more important than the delivery of mail. I refer to the threat to the very well-being and security of the Nation and the security of the world. We must take several items into consideration.

First of all, the Post Office Department was just recently assessed \$312,000,000 for back pay to the railroads up to January 1, 1951; secondly, the Post Office Department is now before the Interstate Commerce Commission, where the railroads are seeking a 38-percent increase in rail mail pay—that means an increase in rates for handling the mail; thirdly, we are in a situation where we must take care of the living standards of those who are working in the postal service. I cannot believe that the Congress would refuse to live up to its belief in providing a fair and equitable salary for its postal workers.

I should like to have two or three mail deliveries a day in residential areas if it were possible to have them. However, if I must make a choice as between continuing or increasing the deficit of the Post Office Department, denying postal workers an increase in salary, or increasing the number of mail deliveries, my choice is very easy to make. Ninety percent of the mail which is delivered in the second mail delivery, and which is made at a very heavy cost to the Government, consists of second-, third-, and fourth-class mail. Most of it is delivered at a very great cost to the Government. That mail is composed of pamphlets, inserts, small bulletins—second-class, third-class, or fourth-class mail. I submit that we should increase the postal rates equitably, insofar as we can do so, first of all; in the second place, we should try to reduce the deficit; and, in the third place, we should try to give a salary increase to the postal workers.

I shall join the Senator from Georgia in supporting the amendment, for I think we can show that we can really provide service and at the same time we can be fair and equitable.

Mr. RUSSELL. I thank the Senator.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. LEHMAN. I regret that I have been compelled to be out of the Chamber for a part of the session, and no doubt the question I have in mind has already

been asked and answered. However, I shall ask it now: Can the Senator from Georgia give us his opinion of the cost of restoring the service as of the date mentioned in the bill?

Mr. RUSSELL. The only information I have on that subject is to be found on page 26 of the report, in the letter from the Postmaster General. I read the following from that letter:

Therefore, the cost of restoring this service, taking into consideration the number of increases made in extending city delivery and the increases in salaries as provided in the bills now under consideration, would run somewhere between one hundred and twenty-five and one hundred and fifty million dollars per annum.

It seems that I was in error; when I read this letter hurriedly a few minutes ago, I was under the impression that the figure stated in it was between \$100,000,000 and \$150,000,000 per annum. However, I now find that the Postmaster General said in his letter that because of the extension made in the city deliveries and taking into consideration the fact that no doubt the Congress will increase the salaries of the postal workers, the cost will be somewhere between \$125,000,000 and \$150,000,000 per annum.

Mr. President, I do not think it is necessary to say anything further on this matter. It seems to me very evident that this is no time to increase the deficit in the postal service by increasing the number of mail deliveries in the United States.

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

Mr. RUSSELL. I yield.

Mr. HOLLAND. The Senator has referred to the fact that the curtailment of service was made by the Postmaster General in an effort to adjust the operations of the Post Office Department to the lessened appropriation made by the Congress. I note that, in addition, the Postmaster General calls attention to the fact that Congress is also active in another field, and he wishes the Congress to give thought to it before it votes for this particular measure, namely, that the Congress has passed the antideficiency bill, under the provisions of which the Postmaster General would not be within his legal rights if he were to carry out the action now proposed, if we take it, unless we also appropriate additional funds, namely, an additional amount of between \$125,000,000 and \$150,000,000.

My question is as follows: In view of the action of the Postmaster General and in view of the statement made by him in his letter, namely, that his recommendation and action are based upon a curtailed appropriation and the further fact that if the Congress takes the action that is proposed, he wants Congress to remember that he cannot obey its direction in that respect unless the Congress provides the additional funds, does not the distinguished Senator think such action on our part would be a complete retreat and an utter rout of the Members of Congress, who have insisted upon economy by means of the passage of the first two measures, if they now abjectly were to agree to this particular change and to a reinstatement of the multiple-delivery service?

Mr. RUSSELL. Certainly it would be a complete abandonment of any pretense of economy.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. McFARLAND. I wish to commend the Senator from Georgia for the splendid presentation he has made of his amendment. I think he has made a case which merits the support of the Senate. If we are to increase the salaries of the postal employees—and, in my opinion, there is no question that they need such an increase, in view of the increase in the cost of living—we must find ways and means of increasing the revenue, and we cannot do that by increasing the service at a time like this.

I hope the time comes when we can restore the postal service in this way, but I think the Senator from Georgia has certainly made a good case for the amendment under the present circumstances.

Mr. RUSSELL. I should certainly like to see the services restored, Mr. President; but I could not conscientiously vote to restore them at a time when we are operating the country at a deficit amounting to billions of dollars, in order to prepare ourselves against threatened aggression.

Mr. KEFAUVER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator from Georgia has the floor, and he can yield for a question.

Mr. RUSSELL. I yield.

Mr. KEFAUVER. Let me say in the beginning that I think the Senator's point is very well taken, but I wonder where he obtains the figure of between \$125,000,000 and \$150,000,000.

Mr. RUSSELL. I obtained that figure from the letter of the Postmaster General, as set forth on page 26 of the committee report. The Senator from Tennessee will find the letter there.

Mr. KEFAUVER. Mr. Doherty in his testimony says, I see, that he thinks the saving is about \$8,000,000 or \$9,000,000 a year. If the saving is only that small, I think there would be justification for extending the service.

However, I take it that the Postmaster General has made a careful estimate of what the saving would be, and that the Senator from Georgia believes that the saving estimated by the Postmaster General, as he has stated it, would be the actual saving.

Mr. RUSSELL. I cannot vouch for the figure of from \$125,000,000 to \$150,000,000. On the other hand, I do not know who Mr. Doherty is.

Mr. KEFAUVER. He is the head of the National Association of Letter Carriers.

Mr. RUSSELL. Oh, yes.

Mr. President, if the time has come when we cannot give reasonable acceptance to the figures presented to us by the Postmaster General, we should get a new Postmaster General. If the figures submitted to us by the Postmaster General are so far off, Mr. Donaldson should be dismissed, and perhaps Mr. Doherty should be installed in his place.

Mr. KEFAUVER. The only conflict is that Mr. Doherty said that on March



15, 1951, it was estimated by the Post Office Department, according to an article appearing in the New York Times, that the curtailment would save approximately \$70,000,000 or \$80,000,000.

Of course, we should ascertain the correct figure insofar as we possibly can do so.

Mr. RUSSELL. The only figures I have are to be found in the report, for I did not know until about an hour ago that the bill proposed this action, and then I looked at the report to see what was the justification for it. The letter from which I read just now, I read hurriedly, and it says that—

In readjusting the service so that we could operate on the amount of money appropriated by the Congress, it was necessary that we reduce the expenditures by at least \$70,000,000 per annum.

So it seems obvious that \$70,000,000 must have been involved, and that the Postmaster General had, as he said, to decrease the carrier service.

Furthermore, if we increase the salaries of the postal workers, no doubt a part of the funds would have to be used for the salaries of additional employees to deliver the mail to residential sections two or three times a day.

Toward the end of his letter, the Postmaster General says:

Therefore, the cost of restoring this service, taking into consideration the number of increases made in extending city delivery and increases in salaries as provided in the bills now under consideration, would run somewhere between one hundred and twenty-five and one hundred and fifty million dollars per annum.

I cannot vouch for the correctness of those figures but I think the Postmaster General is a very efficient administrator. He is a career employee who has come up through all the grades in the postal service, and I do not know of any person who would be better qualified to make an estimate than he would be.

Mr. KEFAUVER. I agree with the Senator.

Mr. JOHNSTON of South Carolina. First, Mr. President, I wish to say to the Senator from Georgia that he always presents his points very well indeed.

Mr. RUSSELL. I thank the Senator.

Mr. JOHNSTON of South Carolina. However, I want the Senator from Georgia to read the paragraph just ahead of the one he read a moment ago. He will notice that Mr. Donaldson also says this in his letter:

The annual savings effected through reducing deliveries from two to one in residential sections last year were approximately \$44,000,000.

That is the statement of the Postmaster General.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. RUSSELL. I am sure the Senator would wish to be fair to Mr. Donaldson by reading the other two sentences of that paragraph.

Mr. JOHNSTON of South Carolina. I shall do so. However, the Postmaster General is taking into consideration all the increases that are to be made, in addition to the \$44,000,000. In other

words, he is not considering the cost of increasing the deliveries alone, but he is considering the 8.8 percent in addition to the \$44,000,000. However, anyone who is at all familiar with mathematics knows that the correct answer is obtained by adding only the 8.8 percent. Is not that so?

Mr. RUSSELL. The Senator from South Carolina is doing the figuring now, Mr. President.

Mr. JOHNSTON of South Carolina. That is what the bill calls for in the way of an increase for the employees. If the service previously rendered is restored, at a cost of \$44,000,000, and if the salaries are increased to the extent of 8.8 percent, the total increase would not involve \$150,000,000. Anyone who is at all familiar with mathematics knows that to be so. A pending bill increases the amount the employees are going to receive.

Mr. HUNT. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield to the Senator from Wyoming.

Mr. HUNT. Does the distinguished chairman of the committee know the number of additional personnel who would be required, in case the delivery service is doubled or trebled?

Mr. JOHNSTON of South Carolina. No one knows that. But I should like to answer the Senator by saying that America gives billions of dollars to other nations. I want the Senator to name one nation to whom we are sending billions of dollars today, which does not have two mail deliveries. [Laughter.] Do we want the postal service in America to be inferior to that of other nations of the world?

Mr. HUNT. I am inclined to answer the Senator's question by saying there are probably many nations to whom we are giving money who do not have any kind of mail delivery.

Mr. JOHNSTON of South Carolina. In respect to city deliveries, I should like to say that, according to the testimony, it will be found that in France, England, and other nations in Europe the people receive two deliveries a day and in some cases even three, while in America we are getting but one. I am glad to say that I did not vote to send the money to those countries with which to do that. I wanted to keep the money at home, in order to give our people in America proper service.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield to the Senator from New Mexico.

Mr. CHAVEZ. Is it not true that the people of the nations to whom we send money by the billions of dollars are most anxious to receive that mail from us?

Mr. JOHNSTON of South Carolina. Absolutely so.

Mr. CHAVEZ. They are anxious to receive even a third delivery of it, are they not?

Mr. JOHNSTON of South Carolina. Absolutely so.

Mr. CHAVEZ. They are looking for the mail at all times.

Mr. JOHNSTON of South Carolina. If, according to the testimony given by representatives of the National Letter

Carriers Association, one nation after another is receiving two and even three deliveries a day, why is it that America cannot afford it, when we are spending billions of dollars overseas among those nations? That is my position. I want the people of America, who are to pay the extra postal rates, to receive the best possible service. On ordinary first-class mail, we are proposing in this bill to increase the rate from three cents to four. A question was raised a few moments ago, in connection with the city delivery of mail, regarding the sizes of parcel-post packages. We are providing mail deliveries in the cities such as the people living on rural routes do not have, because they need them less.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield to the Senator from New York.

Mr. LEHMAN. I merely wish to say that I think the provisions respecting parcel post result in a discrimination against the cities. I think no Member of the Senate was more definite in his criticism of the Post Office Department, in the matter of reducing the number of deliveries than I. I felt that it would cause inconvenience and possibly some indirect loss to the people. But that was prior to June 25, 1950. I think the situation has changed very substantially since then, and I am willing to go along with any economy we may feel would not be of substantial detriment of the people of the United States. Aside from that, we are very anxious to see that the workers in the Post Office Department, who, in my opinion, are very apparently underpaid, receive increased payments.

The desire and the determination to vote for higher rates of pay also influences my vote on the amendment proposed by the Senator from Georgia. So, even though I decried and deplored and fought against the reduction in the delivery service which was put into effect about a year and a half ago, I think the situation has changed so drastically, and the needs are so far greater than they were at that time, that I shall, even though reluctantly, vote to support the amendment of the Senator from Georgia.

Mr. HUNT. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield to the Senator from Wyoming.

Mr. HUNT. Mr. President, I should like to ask the distinguished chairman of the committee whether the restoration of mail deliveries to two or three a day would not directly affect his residence and my residence.

Mr. JOHNSTON of South Carolina. In what way?

Mr. HUNT. We are now receiving only one delivery, and if this bill should pass with the restoration, we would receive two deliveries a day, or possibly three. The point I make is that the junior Senator from Wyoming finds no need whatever to have more than one delivery of mail a day to his door. I think that is true of practically all the people living in the city of Washington.

Mr. JOHNSTON of South Carolina. Occupying an office directly across the hall from the Senator from Wyoming,



in the Senate Office Building, I know that the Senator receives more deliveries than that—not one, but perhaps four, five, or six.

Mr. HUNT. I receive four mail deliveries a day at my office, and let me say to the Senator from South Carolina, if I received but one delivery in the morning, I could more systematically arrange the answering and the handling of my daily mail. I think it is an inconvenience to have mail brought into the office four times a day. Let me say further to the Senator that the clerk who receives the mail four times a day must sort it, study it, and distribute it; whereas, if that could all be done in the one operation in the morning, it would facilitate the work of my office.

Mr. JOHNSTON of South Carolina. The trouble is that much of the mail piles up and is carried over until the next day. Mail which should be delivered today is not delivered until tomorrow. That statement can be verified at any of the larger post offices. That is really injurious to business throughout the country.

Mr. DOUGLAS. Mr. President, will the Senator from South Carolina yield for a question?

Mr. JOHNSTON of South Carolina. I yield to the Senator from Illinois.

Mr. DOUGLAS. Is it not true that, even with one delivery a day for residents, the mail comes in more rapidly than it can be answered?

Mr. JOHNSTON of South Carolina. I think the Senator is talking about the mail of a Senator.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I am sure we want to get the RECORD clear. Insofar as professional offices and business offices are concerned, there are multiple deliveries, two or three deliveries a day. Is not that correct?

Mr. JOHNSTON of South Carolina. That is correct.

Mr. HUMPHREY. I mean so far as the business community is concerned.

Mr. JOHNSTON of South Carolina. That is correct.

Mr. HUMPHREY. The limitation of service has been restricted entirely to the residential section. Is not that true?

Mr. JOHNSTON of South Carolina. That is true.

Mr. HUMPHREY. The Senator has made a good point, for he has said there has been a delay in the handling of the mail, namely, a delay in the handling of the mail from the point of its reception at the post office to its ultimate distribution in the residential areas. I think that is a point which can be well documented. But is that not possible of remedy, not by having two deliveries a day, but by placing a sufficient number of carriers in the post office to properly carry the mail, and a sufficient number of mail handlers in the post office to properly care for the mail?

Mr. JOHNSTON of South Carolina. But if we provide the proper number of carriers to carry the mail promptly,

then we offset the amount saved through limiting the number of deliveries.

Mr. HUMPHREY. No, I would sharply disagree with the Senator.

Mr. JOHNSTON of South Carolina. That would be true to a large extent.

Mr. HUMPHREY. I would say that the major problem with which the Post Office Department is confronted today is, first, the sharp labor turn-over, because of the low rates paid to employees in the entrance classifications, making it impossible to hold them.

Mr. JOHNSTON of South Carolina. I agree with the Senator in that respect.

Mr. HUMPHREY. And, second, the failure to have a sufficient number of mail handlers and clerks properly to handle the distribution of the mail. If those could be overcome, first, by changing the entrance salary scale; and second, by having a sufficient number of mail handlers who would deliver the mail, it would adequately take care of the service, at least, even during this period, and I think that is the result we ought to be approaching. We ought to have more efficient operation of the Post Office Department.

Mr. JOHNSTON of South Carolina. The Department should be looking into that question now.

Mr. HUMPHREY. Mr. President, will the Senator yield further?

Mr. JOHNSTON of South Carolina. I yield.

Mr. HUMPHREY. The Senator is, of course, aware of the fact that Congress has limited the appropriations of the Post Office Department.

Mr. JOHNSTON of South Carolina. That is correct.

Mr. HUMPHREY. And as we have limited the appropriations, we likewise, only 2 years ago, increased salaries. It puts the Postmaster General and his agents under the double duress of trying to take care of the increased population with a limited number of personnel. Let us give the people one good service a day, and have a sufficient number of employees at the terminal point at the post office, where the mail is organized for distribution.

The Senator from South Carolina knows that there is not a postmaster in the country who is not complaining about the fact that he cannot get personnel to fill the vacancies as employees leave for better-paying jobs. Post offices throughout the country are understaffed.

Mr. JOHNSTON of South Carolina. We are trying to take care of that situation in another bill which will follow the one now under consideration, and we hope we shall be able to relieve the situation somewhat.

I now yield to the Senator from Arizona.

Mr. McFARLAND. Mr. President, I merely desire to develop the point which the Senator from Minnesota was developing, that the bill does not affect deliveries to business houses.

Mr. JOHNSTON of South Carolina. The Committee on Post Office and Civil Service voted last year unanimously for

this measure and voted for it this year without a dissenting vote. That indicates the position in which the chairman of the committee finds himself.

Mr. President, I see that the Senator from North Dakota [Mr. LANGER] has entered the Chamber. I understood that he wanted a vote postponed until he could get here.

I yield the floor.

#### COMMON SENSE AN UNCOMMON COMMODITY

Mr. MALONE. Mr. President, I think it is high time, if we are going to pass a bill to prevent a deficit, that we pass a bill to prevent England from running a deficit, which we, under our foreign policy are bound to make up.

When we get to the point where we discuss reducing mail service in the suburbs of small American towns in order to continue service to England and other nations for socialized medicine, eyeglasses, and false teeth, and all the rest of the services they are furnishing on our money, it seems to me we are making ourselves ludicrous.

It is high time that the Senate of the United States applied just a touch of the good old common horse sense to our domestic and foreign policies for which this body used to be famous.

Mr. President, I want to invite the attention of the distinguished Senator from Georgia [Mr. RUSSELL], for whom I have the highest regard, to the book review of a report prepared in England. This is not the first time I have referred to this on the floor of the Senate. The review of the report says it was made by some of the best brains of the British Foreign Office. It appears in the annals of the American Academy of Political and Social Science of May 1951. I invite the attention of the Senate to this review, from which I shall read:

To Americans an interesting reflection of European attitudes is contained in the discussion of whether Britain and France can afford to rearm for the third time in half a century. Here the authors draw earnest attention to the fact that such an effort would call for little in the way of sacrifice of social services and living standards, since raw materials, food, and war supplies can be had in large quantities free from the United States.

Mr. President, please note this further quote:

Here the authors draw earnest attention to the fact that such an effort would call for little in the way of sacrifice of social services—

I suppose that includes the eyeglasses, the false teeth, the free hospitalization, and all those things that most any of us would like to have, except that we realize that in the long run the services would not be as free as they sound, because the United States has no uncle to put up the money.

Listen to this—

and living standards, since raw materials, food, and war supplies can be had in large quantities free from the United States. The argument clearly discloses that Europe expects America to place a floor under its present standards of living, as well as to provide the planes, guns, and nuclear manpower necessary to the defense of both Europe and European colonies.



So long as we furnish free social service and food to foreign nations, it reflects very little credit to us to be talking here about cutting down permanently the Post Office Department services to our small cities and towns. It could be that in England, France, and other foreign nations they need two or three mail deliveries a day so that they will receive, without delay, the checks sent them for social services. I suppose if I had a check coming, I would hate to have it delayed until a late hour in the day when I might have it sooner.

SOCIALISTIC ENGLAND AGAIN CALLING ON UNCLE SAM

Mr. President, coming to this country in a little while will be Mr. Morrison, a great gentleman with whom I discussed these matters in England, as I did with Mr. Cripps. I also discussed these matters in England with Mr. Anthony Eden, that great brain who is making speeches all over the United States, telling us that we should sacrifice part of our sovereignty for an international government, which incidentally would make it easy for England to put taxes on our people, instead of having to come to the Congress as at present.

As a matter of fact I do not see that there is much delay in coming to the Congress now, though I am anticipating that it will get a little tougher to come to the Congress after the next election.

FEDERATION OF NATIONS

The arrangement of the Federation of Nations, which has been proposed in a bill introduced in the Senate of the United States, bearing the names of 26 Senators, calls for our having just one vote. The other member countries would have two votes to tax us as they wished. In the new world government each nation would have one vote, each would have two senators, and the representatives would be elected in accordance with the population.

Mr. President, we are again supporting the mother country, England. Under the present set-up, the British have such complete control over us that all they have to do is have a bill drawn up.

Mr. Morrison will call on the President of the United States and the Secretary of State, who, incidentally, is now in San Francisco signing a treaty which can result only in Japan's signing a treaty with Communist China, unless some of us can raise our voices loud enough to postpone it, as we have been able to postpone the recognition of Communist China in the United Nations. This has been a struggle because our own Secretary of State stated early in 1950 that the United States would not use the veto to prevent the recognition of Communist China in the United Nations, although he tried to cover up when appearing before the MacArthur committee. Morrison, I say, will come with a briefcase full of evidence that England cannot pay the first installment on the three-quarters of a billion dollars which we loaned her. He will have evidence that they cannot even pay the interest.

WE TREAT THE ENGLISH BETTER THAN WE DO AMERICANS

If the farmers on a little irrigation project in the West, on which the Gov-

ernment has advanced money, were to come in and say, "Something has happened; and we cannot pay the installment on our debt to the Federal Treasury," it would be headlined in the newspapers. It would be said, "Why, the Government is putting out money for American citizens who are not repaying that money when due."

Mr. Morrison, however, will get away with his statement that Great Britain cannot repay. We will find in due time that England is in worse financial condition now than she was when we first gave her money under the Marshall plan. We will find that England cannot afford to put soldiers in the army in Europe, and that she cannot furnish money for that army, her own money, that is.

MARSHALL PLAN AID

Mr. President, a bill providing seven and two-tenths billion dollars for Europe has just been voted by the Senate. As passed, no conditions whatever were attached to the appropriation. For a long time the junior Senator from Nevada has been making certain suggestions about Marshall plan aid. He has said that if we were going to support these countries we should at least place conditions upon our donations.

UNITED STATES OF EUROPE

One of the conditions he has been suggesting since 1948 is that there be established a United States of Europe, or a customs union, or something along that line, in order that the European nations could get together without there being walls between them to prevent their trading and intermingling with each other.

WE PAY FOR THEIR JUNKETS

Mr. President, since the establishment of the ECA, 50 or 60 assorted committees of various countries have come to the United States, their full expenses paid by the ECA. Those committees have come here in order to find out how we produce. The business people of America go to countries throughout the world to investigate possible improvements in production, but our business people pay their own way. However, in the case of the committees coming from foreign countries to this country, the American taxpayer is paying their way.

OUR JUNIOR ECONOMISTS

Mr. President, we have a situation here where decisions are being made for us by so-called economists and engineers who never in their whole lives made a living the hard way. They come onto the payroll directly from college or high school. Just such men said, in 1948, "If we could increase production in Europe, we could solve the problem." So, thanks to them, the American taxpayer, who was never helped in his life, must help carry the load of businessmen in Europe.

The junior Senator from Nevada, having been in the engineering business for 30 years, as an industrial engineer for 15 years, has stood on the floor of the Senate numerous times pointing out that production of a plant is not a problem. Anyone can produce.

MARKETING IS THE PROBLEM

It is necessary to have a market to sell the goods proposed to be produced

before money can be obtained with which to build a plant. Before a man can go into the production of goods he must find someone who is willing to finance his plant. If he cannot show that he has a market for his goods, no one in his right mind will advance money to build his plant.

Legislation providing funds for putting Europe into business came before the Senate. The three or four or five of us who thought that those who wanted to produce should first find markets were overridden on the floor of the Senate.

So immediately after the Europeans start building plants, our so-called economists and engineers come in and say, "We must have free trade now that the plants are being built, in order that those who produce goods in Europe will find markets for the goods they produce; otherwise we cannot be repaid the money we have advanced." The junior economists and engineers find that the problem is to find markets.

Mr. President, where are the markets? The markets are in the United States of America, where they have always been, but which have been served by the American investors and the American workmen.

It is proposed then that we divide our markets so that the plants erected in Europe will be feasible.

But there is another market. Where is the other market? It is in Russia and the iron-curtain countries and in China and in the other Communist areas in which there is not sufficient manufacturing capacity. Our potential enemies furnish a market. Thus it is that in spite of the fact that it is all we can do to keep our own people working and our own investments safe, we must not only divide our markets, but allow the European countries to sell in Russia and in the iron-curtain countries and in the Communist areas in order to try to correct the first mistake we made. We must allow the European countries to sell in the Communist areas to make feasible that which no sane man would have considered to be feasible to begin with.

Those who backed the European production plan could have asked anyone in business in the United States about the feasibility of the plan and found out in 5 minutes whether it was feasible. But was such advice asked? No.

INTEGRITY OF PRIVATE INVESTMENTS

Another thing is the matter of guaranteeing of integrity of private investments. We have received no guaranty from any of the countries to which we have given Marshall-plan money of the integrity of private investments. As a matter of fact, it is just the opposite. The minute a foreign investment is made it is gone.

Try, for example, to make an investment in England. If an American were to make an investment in England, he could not receive any interest on his money or any profit from his investment. He would be obliged to leave his investment there. The reason investments can easily be made in the United States of America is that the one who makes investments can sell out whenever he wants to.



Then, we come to the great point 4. We must have point 4 to guarantee the integrity of the investments we ourselves make in foreign countries. So, then, we appropriate more money to guarantee the integrity of those investments.

Let us say I want to borrow \$5,000 to make an investment. I have done so. But I never had the nerve to say to the banker from whom I wanted to borrow the money, "I want you to guarantee that my investment will be a successful investment."

Try to get a banker to guarantee the integrity of an investment made with a loan he makes to you. If such a request were made, he would press a button and keep you in conversation until a policeman arrived. He would know you were insane.

However, such a proposition was made on the Senate floor, and was acted upon favorably.

#### EQUAL ACCESS TO MARKETS

I should like to draw the attention of this distinguished body to a third condition that should go with the Marshall plan aid. That third condition, Mr. President, is the matter of equal access to the markets of the areas we are committed to defend. That means those areas we will ultimately be called upon to defend for our own ultimate safety.

#### EMPIRE PREFERENTIAL RATES

What do we allow the sterling bloc? Half the nations of the world are in the sterling bloc. They have the empire preferential rates, which keeps the United States of America from trading on equal terms in the Far East and in the Mediterranean area and other areas where the colonial system prevails. We are committed to defend these areas, but we cannot trade there simply because the empire preferential rates exist in those areas.

And so, the great idea of reciprocal trade was cooked up in 1934. It has been continually extended by the Congress as a basis for a division of the markets of our country with the other nations of the world. Thus they may have the industry as well as the markets.

#### WE SUPPORT COLONIAL EMPIRE SLAVERY

As the junior Senator from Nevada has explained, if we were to quit supporting the colonial system throughout the world, and were to announce tomorrow that fact, we would have the whole Moslem world in our laps in 24 hours, and the far-eastern people would be following us around. We could have their cooperation. Today we do not have it. We are buying them off.

Twenty-five million dollars has already gone to Iran as a sort of salve for the money which England does not pay in royalties. She pays 17 cents a barrel for oil. Across the line, we pay a royalty of from 40 to 60 cents a barrel. Only about 300,000 of those little people over there, out of 17,000,000, have a slightly higher standard of living. The rest of them are living in the same way they have lived for 5,000 years. They see the wealth of the country going out to the British, and they get nothing for it, as compared to what the United States is paying in Arabia.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. MALONE. I am happy to yield to the Senator from New Mexico.

Mr. CHAVEZ. The Senator from Nevada may think that possibly Senators on this side of the aisle are not interested in his remarks. I assure my good friend from Nevada that I am interested in his remarks, especially in the last remark which he made, with reference to Iran. Of late some of the officials of Great Britain have been saying that the people of Iran are a backward people. But what people would not be backward if a foreign country which believes in imperialism or in colonies took all its wealth and resources, and did not provide in return sufficient to feed the people of the subject country.

That is the whole truth with the world now. I do not believe in it any more than does the Senator from Nevada. I do not believe in what France is doing in Indochina; and I belong to the majority side. I do not believe in what England is doing in Egypt.

We sermonize the world about free peoples. When we do that, we should mean really free peoples. When we begin to respect the dignity of men as individuals, then we shall be in a position to justify our assertions about free peoples and a free world. When I speak of the dignity of men as individuals, I include the Iranians, the Indochinese, the people of Java, and the people of the Belgian Congo.

Mr. MALONE. I am very happy that the distinguished Senator from New Mexico has made himself clear. I am glad to know that there are those on the majority side of the aisle who are interested in knowing where the American taxpayer's money is going, and where we are buying enmities, and not friendships.

The Senator from New Mexico mentions the Belgian Congo. I hark back to a speech made by the great man who is handling our affairs in Europe now, General Eisenhower. I do not know whether he will choose to run for President on the Republican ticket or the Democratic ticket. Perhaps he is hoping that both parties will nominate him. He went a little outside his own field when he said that the reason we must protect Belgium in the Belgian Congo is that if Belgium were to lose the Belgian Congo we could not get uranium and other fissionable materials from the Belgian Congo.

Mr. CHAVEZ. Mr. President—

Mr. MALONE. I shall be happy to yield later, but I should like to finish this statement.

The junior Senator from Nevada has been in the Belgian Congo, and in every other country in Africa. If we were to buy such materials directly from the Belgian Congo, the only difference would be that we would do away with one broker's fee. In other words, the Belgian Congo can now sell uranium only to Belgium, and Belgium sells it to us. It makes no difference whether or not Belgium is in the picture.

One of the members of the legislature—or whatever it is called—of the

Gold Coast was here not long ago. His convoy from the British Embassy was right on his coattails every minute. For some reason this Gold Coast representative took a liking to me; and the Embassy representative could not, without great embarrassment, follow us when we sat down in a corner and had a little talk. Having been on the Gold Coast, I said, "Why is it that we cannot buy manganese directly from the Gold Coast?"

The Gold Coast representative looked out of the corner of his eye to see how far his voice would carry and how close the Embassy representative was to us. He said, "We must sell the manganese to England, and then, if they choose, they will sell it to you. But we cannot sell it directly to you."

I said, "Can you not change that law?"

He said, "Of course, we could; but the Governor appointed by Britain's King can nullify any law that we pass."

So, as a matter of fact, the thing which is preventing us from getting the materials which we need from Africa, the Far East, and other parts of the world, and the thing that is preventing us from enjoying the friendship of those peoples is the very thing which we are financing.

What are we doing? Outwardly, through our publications, newspapers, and speeches on the floor of the Senate, we are giving the world a choice between what? Between the capitalistic system and the communistic system. I believe that is a fair statement. That is the reason why we are appropriating all this money. But the capitalistic system is represented in the Far East, in the Mediterranean area, in Africa, and in much of the Middle East, by what? By colonial slavery. Those people cannot imagine anything worse than the colonial slavery.

The junior Senator from Nevada was in Saigon, Indochina, in 1948. I obtained an automobile and traveled around that area. It was said that some of the people were Communists and others were something else. It was said that all the intelligent people who were leaders were in Singapore and in the Asiatic countries.

All the Senator from Nevada found there was people who were scared. They are afraid of their shadow. Why? Because we are financing the armies which are browbeating them. We are giving them a choice between communism and capitalism; and capitalism is represented to them by colonial slavery.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. MALONE. I am happy to yield to the distinguished Senator from New Mexico.

Mr. CHAVEZ. Does not the Senator from Nevada agree with me that the best argument of the Communists or those who profess communism and who want to place their ideas in effect throughout the world is the colonial system which exists among the so-called free countries—a system which keeps the local natives in practical starvation? How can there be capitalism in the Belgian Congo aside from colonial capitalism? The man who is producing the copper which



we eventually buy from England gets only 12 cents a day. The Senator from Nevada knows that there is a threat of a tremendous strike in the copper areas of the United States—in my State, in the State of the Senator from Nevada, in the State of Utah, and throughout the West—but not because we pay our workers only 10 or 12 cents a day. They want more in order to maintain the American standard of living. How can capitalism exist on 12 or 14 cents a day, which is what the countries which profess to be our friends are paying the people in their colonies?

Mr. MALONE. I am very happy that the distinguished senior Senator from New Mexico has expressed himself on this subject. I believe it to be the first time that a Senator on the majority side of the aisle has discussed it or that the junior Senator from Nevada has heard such an expression. Generally speaking, the Members of the majority side are like Brown's cows. Put one cow through the gate and all the rest will follow. Put the bell cow through and the rest will come along.

I should like to invite the attention of the distinguished Senator from New Mexico to the fact that it is impractical to believe that in a third world war we will have for allies the countries who were our allies in the Second World War. We are building industries in Europe which are producing products for which there is no market, except our own and that of the Communist areas. It is well known that the Members of the majority party and the administration have a vested interest in their own mistakes and will not acknowledge them. Why is there doubt that we will have the same allies in another war that we had during World War II? Because of what they say themselves. We do not believe what we hear or read.

I am very happy that the distinguished Senator from New Mexico has joined us in this debate and takes the point of view that we ought to examine ahead of time the effect of what we do with the money of our taxpayers, and I know that he believes as I do that the Senate should consider taxpayer money in the same light that a bank cashier considers depositors' money. It is a sacred thing. It must be considered that way.

We have had an epidemic. It has been like putting a man through a severe illness. However, I can see some signs of convalescence. I thoroughly believe that it will be very unpopular to treat taxpayers' money any different than depositors' money after the next election.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. MALONE. I am very happy to yield to my good friend, the Senator from New Mexico.

Mr. CHAVEZ. I want my good friend from Nevada to know that while I do not agree with all the arguments and statements he has made, I do agree with him that there should not be one penny of American taxpayers' money used for bringing about imperialism in colonies.

Mr. MALONE. I appreciate the Senator's statement. That statement will reach further than many colleagues of

the distinguished Senator from New Mexico would think. I will take him a little further.

What are we doing. We are supporting these 16 European countries in a style to which we have now got them accustomed, or in a style to which they would like to become accustomed. They have seen our way of life, and they like it. They do not have the guts to take the hard way, as we did, with our legitimate help. Oh, no. We must do it for them at the expense of our taxpayers. They are like a kid who wants a toy. They must have it right away. They must have it now.

I picked up a newspaper 4 or 5 days ago, and I read about a little quarrel over in Belgium. It was similar to the difficulties of the King of England, who abdicated the throne on account of a little misguided affections, whereupon he was retired to the back pasture with about \$500,000 a year. No doubt King Leopold is a fine man. No doubt he is a very fine and upstanding young man. He used to cover a great many countries. Well, Mr. President, he was retired the other day. Apparently he voluntarily retired in favor of his son Baudoin. His son probably does not know what it is all about. He is the stooge and the target. King Leopold was retired to the back pasture at \$120,000 a year.

I remind my distinguished friend from New Mexico that \$120,000 represents the pay of eight Senators. Just what Leopold does to deserve that much money from the taxpayers of America is a little hard for the junior Senator from Nevada to understand.

The same thing is true of the King of England, who gets a million and a half dollars a year. The junior Senator from Nevada never did object to how much the English people paid their King. No doubt he is a fine, upstanding man, but a million and a half dollars is a little steep so far as taking the money from our taxpayers is concerned, unless the King of England does something for it. The junior Senator from Nevada was never very much interested as to what he did to support his little kingdom, until he got on our payroll.

The other day we gave \$190,000,000 to Nehru, of India, that great bulwark of democracy in Asia. The junior Senator from Nevada visited Nehru for 4 or 5 hours on the occasion of his visit to New Delhi in 1948. Nehru is a mystic. He is a great power among his people. However, he could not tell the difference between capitalism and communism, because he has neither—or did not have at the time the junior Senator from Nevada visited him. Most of his people, certainly 90 percent of them, have nothing to do. The people I saw apparently were not looking for anything to do. I will say that much for them. They were sitting on the sidewalks in New Delhi, and when I got into the country they were out there on the grass, or in the sand. It would be necessary to get a correct sighting in order to see one of them move in an hour, especially when the sun was shining.

Now they have suddenly discovered that they are hungry. Those who have read Mother India, which was published

15 or 20 years ago, probably knew that there had been hungry and starving people in India for 5,000 years. However, somehow or other, they always got along without American taxpayers' money. Suddenly it was discovered that they were hungry. Everyone wants to help hungry people. Everyone wants to feed hungry people. The junior Senator from Nevada wants to feed hungry people in every feasible way. If a drought strikes a country, as it sometimes strikes our own country, and it can be cured by helping people through one season, and thus make it possible for them to support themselves, that is the thing to do. Perhaps they can even pay some money back. That is a fine thing to do.

According to the arguments, particularly from the majority side of the aisle, we had to give the Indian Government money to buy the wheat. Of course, it was called a loan. We have been making such loans for 15 or 20 years, and there is no record of any one of them ever having been paid back. The argument with respect to India was that we had to lend them dollars so that they could buy the wheat from us. We gave them enough money to buy a large amount of wheat. I believe it was \$190,000,000.

#### WE SHOULD ACCEPT THEIR CURRENCY

The junior Senator from Nevada offered an amendment to the India wheat bill, which he still believes was a reasonable amendment. It would provide that if the people of India had no dollars, but had rupees, we should accept the rupees at the current rate of exchange on the London or New York markets, in payment for the wheat. We could then put the rupees in a special fund in the United States Treasury, so that if any citizen of the United States, or the Government of the United States, wanted to buy manganese, of which there is a supply in India, or wanted to buy hemp—and we have no hemp in the United States—or monazite sands, or any of 40 or 50 products which they can produce, we could take their rupees and buy such products with the rupees at the current rate of exchange for the rupees.

The junior Senator from Nevada started to discuss the subject in 1948 when it was said that Great Britain was faced with a shortage of dollars. It was the greatest hoax that was ever perpetrated on a trusting public. Mr. President, everyone is short of dollars if he spends more than he makes.

If we are to trade with the sterling bloc areas of the world, why not take pounds in payment? Dollars are not required to pay labor in foreign countries. We can pay them in their own money. We do not need dollars for anything that is produced in those countries. Let us take the pounds at the current rate of exchange and put them into the United States Treasury. Then if any citizen of the United States or the Government of the United States wants to buy wool from Australia, for example, or wants to buy manganese or chromite from South Africa, all that would be necessary would be to pay for the product with pounds at the current rate of exchange.

I say to the Members of this distinguished body that with that arrangement



those who produced the commodities would be paid a fair amount for what they produced, and then we would not be attempting to divide the wealth of the taxpayers of the United States among all the people of the world and trying to make "one economic world." At the time when the proposal was made in 1948 someone said that it sounded startlingly sensible.

#### PROPAGANDA FUNNY BOOKS

What was it that we paid \$22,000,000 for in the great propaganda warfare against communism? That money was spent for so-called funny books, was it not? I heard that debated here in the Senate one day. However, many of the people to whom those books were given could not even read their own language, let alone read English. Furthermore, many of those books are not even funny.

#### EGYPT'S PROBLEM WITH BRITAIN

Mr. President, the Egyptians have real problems on their hands. If we take the trouble to call on the Egyptian Ambassador here in Washington—and, by the way, he is a very intelligent man, and I am very fond of him—he can tell us that the British, who are occupying much of the Egyptian territory, are taking from the Egyptians a large amount of water from the upper Nile, even at times of low water, when all the water is badly needed in Egypt, in the lower Nile region. That situation may explain some of the enmity for the British in Egypt and in connection with the operation of the Suez Canal.

I suppose Mr. Cripps will say, before long, that we have to get tough with Egypt, just as the British have said we have to get tough with Iran, to prevent Iran from increasing the royalty on the oil, which would be bad for the taxpayers in Britain.

Mr. President, I had no intention of reviewing the field in regard to other lands. However, I think it would be very helpful to the majority side of the Senate to investigate some of the leads I have given them.

If we are going to begin adopting amendments to give the Post Office Department a place to put its feet, in order to give poor service continually to the people of the United States, so that there will be no obligation on the Post Office Department to improve the service and to operate at all efficiently in connection with the expenditure of the taxpayers' money, we must begin to consider the realities of the situation. The Post Office Department does not believe in efficiency. It believes that the answer to its problems is to decrease the service from three deliveries of mail a day to one delivery of mail a day.

Of course, the people in North Dakota, the people in my own State of Nevada, and the people in other States distant from the Capital of the Nation find great difficulty in having their problems considered by the Federal Government, because their States are far removed from the Capital of the Nation, which is entirely foreign-minded.

After all, Mr. President, the most dangerous town to the United States of America is Washington, D. C., for every person there is either working for the

Federal Government or is working for someone who works for the Federal Government or sells something to someone who works for the Federal Government. Here in Washington, D. C., all the people are foreign-minded.

Unless the Members of Congress are able to return to their home States every 2 or 3 months and there talk to those who are trying to make a living by raising crops or cutting timber or operating mines, to see how they are getting along, the Members of Congress will find that they have lost touch with the needs and the problems of their constituents.

Similarly, as long as the Members of Congress stay in Washington, they lose touch with the problems of the postal workers, who today are confronted with inflation and with a rapidly rising cost of living, to such an extent that if one of those workers has to buy an extra pair of shoes—as he must do fairly regularly, for all those who deliver the mail have to walk a great deal—that worker is able to buy a pair of shoes only by not buying a pair of shoes for one of his children.

The Members of Congress are constantly talking about stopping inflation.

Mr. President, the Senate of the United States and the House of Representatives could stop inflation, if they wished to do so, by passing a bill, and having it enacted into law, to begin to base the currency of the United States upon real American money—gold and silver—and thus tie up the balloon. In 1933 the Government cut the string to which that balloon was anchored, and at that time the Government said, "We do not need gold. What do we need gold for? After all, a dollar is a dollar."

All those arguments were made. Of course, Mr. President, a dollar is a dollar; but today try to make a dollar do anything very much. All that we find on a \$5 bill today is a statement that the Treasury will replace it with something like it, if that \$5 bill is taken to the United States Treasury. It is impossible to redeem a \$5 bill or a \$1 bill or any other bill with gold or silver.

It is imperative that all our people have confidence in our monetary system. Sound business is built on confidence, and good money is built on confidence. When that confidence is destroyed by taking away from the currency anything which has any substance, namely, the gold and the silver, with a flexible relationship between the two, and when there is nothing of substance behind the currency and the Government and the monetary system, then the confidence of the people in the money and in the monetary system is destroyed.

My friends who are in the majority have destroyed that confidence because today the Government prints seven billion or eight billion dollars of new money each year, and new money is printed faster than the value of money decreases. The money-printing machines are speeded up until they are operating at a faster rate than the rate at which inflation is increasing.

Those who advocate printing-press money hope that by putting their finger on the spout of the tea kettle they can

hold the steam in the kettle, without taking the kettle off the fire. Of course, the way to stop the production of steam in that case is to take the kettle off the fire. Those who advocate the approach presently being taken by the administration are following an Alice-in-Wonderland approach; but in the present case those who follow the administration's recommendations would change the white rabbit that Alice in Wonderland met into a white horse, and would use it to pull a slow-moving mail wagon. O, what great imagination they have, Mr. President.

Mr. President, there are persons in the United States who maintain that it is possible to spend every dollar that we have and still have \$100,000,000,000 to give away or float in every part of the world—and still have money of real value.

Mr. President, how can anyone believe that?

In order to stabilize the money of the United States, it is necessary only to find out the present location of the balloon which the administration let loose in 1933. Let us find out where it is, and then let us anchor it where it is. Then things will adjust themselves, and workers will not strike for higher wages, and the automobile manufacturers will not try to charge higher prices for their automobiles, and the producers of wheat and corn will not try to obtain more for their crops.

Let us stabilize things. Such a program will not be popular, because it will be accompanied by a tightening down on the amounts available, and once again all our people will have to produce their fair share, and we shall not have raw materials to give to Britain and France so that they can arm our enemies.

#### WE HAVE ARMED RUSSIA

Mr. President, to judge by the standards of many persons in our country, it would seem that it was necessary for us to arm Russia and China and to blockade Chiang Kai-shek and to keep him out of the mainland of China, because there was a time, early in the game, when Russia and all her satellites could not put up a decent fight against the United States of America. However, I think we now have brought Russia and her satellite countries to the point where they could put up quite a decent fight, for we ourselves armed them.

It must be a great satisfaction to those who are responsible for that policy to know and to realize that now the taxpayers of the United States have furnished between 60 percent and 75 percent of the materials which are used to kill or to maim the sons of the American people who are fighting in Korea.

In Korea, 150,000 or 160,000 of our young men have either been killed or maimed. The correct figure is 150,000 or 160,000, not the 80,000 figure which commonly is stated.

I say in closing, Mr. President, it would seem to me that it is a poor time to begin stinting the postal service to the little people out in our country, a service which costs so little at most, and which from the beginning was never meant to pay its way when the cost was burden-



some. The cost of the postage stamp was designed to enable the little people to benefit to a certain extent from a simple postal service rendered by their Government.

Mr. LANGER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. PASTORE in the chair). The Senator will state the inquiry.

Mr. LANGER. What is the pending question?

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Georgia [Mr. RUSSELL], on page 30, to strike out section 12 of the bill which provides for a restoration of delivery service.

Mr. LANGER. Mr. President, I call attention to the first page of the committee report. In a general statement, it says:

As the committee considers the present situation in the postal service, three things stand out: (a) The imperative need of more revenue; (b) the restoration of the service to its former status; (c) a joint study by both Houses of Congress of the entire postal picture.

Mr. President, I listened with a great deal of interest to the speech of the distinguished Senator from Nevada, with 99 percent of which I agree. Frankly, I do not see why we have to increase the postal rates, because we have so very much money in the United States that we simply do not know how to get rid of it any more. Some time ago I ventured the suggestion that the Democrats ought to change their party emblem from a donkey to a scoop shovel.

I have before me a list showing the amounts of money which have been handed out, given away, by the Democratic Party—and I might say they were joined in it, also, by a very great many Republicans. We are doing it at a time when postal employees—and for that matter, too, all other Federal employees—are in almost as bad shape as are the slaves who were described by the junior Senator from Nevada when he was discussing the colonial slavery system. I intend to discuss that situation in greater detail when the pay-increase bill is under consideration. In that connection, I understand that some folks are in favor of increasing the pay by a "lousy" \$400 a year, and that at a time when the cost of living is higher than at any other time in the history of the United States.

Surely, Mr. President, we do not have to increase our postal rates, when we consider that we just got through giving Austria \$895,119,000—over three-quarters of a billion dollars—and I understand from the Postmaster General that the postal deficit is only about a half billion dollars a year. I shall discuss the deficit a little later.

We have given Armenia \$39,942,000. That is more than the deficit would be for any one month.

We have given Belgium and Luxembourg \$1,744,000,000. That is more than three times the deficit reported by the Postmaster General.

We have given China \$3,446,000,000. That is nearly seven times the total

deficit reported by the Postmaster General.

We have given Great Britain, according to the figures I obtained from the Library of Congress, \$44,679,000,000. Now we are taking it out of the hides of the Federal employees and the postal workers of the United States. I want to repeat the amount of money we gave to Great Britain, namely, \$44,679,000,000. We gave Czechoslovakia \$17,343,000. When we got that country well set up in business, Russia took her over.

We gave Denmark \$234,792,000.

We gave Egypt \$50,700,000.

We gave Esthonia \$25,903,079. So why worry about a deficit of \$500,000,000 in the Post Office Department?

Now I come to what was given Ethiopia. Mr. President, you remember what fun was made of Emperor Haile Selassie, Lion of Judah, when he came before the League of Nations when Italy marched into Ethiopia. The United States took care of him in good shape. We gave him \$16,447,000. At the same time, we refused to give the postal and Federal employees the kind of raise to which they were entitled.

We gave France and her possessions \$13,371,000,000, nearly 27 times the amount of the postal deficit.

We gave Finland \$24,000,000.

We gave Greece \$681,000,000. We gave Hungary, now a satellite country, \$64,000,000. We gave Iceland \$20,000,000. We gave the new country of Israel \$62,000,000. That does not include the money we gave Israel recently for the refugee fund, approximately \$50,000,000 more.

We gave Italy \$4,700,000,000. It is now proposed to increase the price of a postal card in this country from 1 cent to 2.

We gave Iran \$23,100,000, and we gave her neighbor, Iraq, \$7,805,000.

Of course the Democrats took care of their Irish friends in Ireland. Ireland was not in the war, but the Irish had to be taken care of anyway. The Democrats gave Ireland \$142,763,000.

They gave Japan \$1,891,000,000.

They gave Korea \$89,469,000.

All the figures I am giving are only up to June 1, 1949. I am not including the nearly \$8,000,000,000 we voted a few days ago. I shall talk about that later.

They gave Liberia \$14,829,000.

I am sure some of the Senators who live in the beautiful hotel owned by the Queen of The Netherlands, and who pay high rentals, would be interested to know how much the Queen of The Netherlands received. She was given \$979,000,000—nearly a billion dollars.

They gave Norway \$345,000,000.

They gave the Philippine Islands \$708,000,000.

They gave Poland \$873,600,000. Poland is a satellite country at the present time.

Portugal was not in the war, but it was taken care of by being given \$11,647,000.

Rumania, also a satellite country, received \$79,435,000.

How much did the Democrats give Russia? I am not talking about the war, Mr. President; I am talking about gifts

and loans. We gave Russia \$12,793,400,000.

When I say "we," Mr. President, I do not include myself, because I voted against each and every one of those appropriations.

Now we come to Saudi Arabia, to which we gave \$46,200,000.

Of course, we also took care of Sweden. Sweden was not in the war. There was a time when Sweden was furnishing the finest kind of steel for use against the sons of our postal workers who were fighting, and during that time we gave to Sweden \$104,000,100.

Of course Turkey was not in the war, but we gave to Turkey—rather the Democrats and the bunch of so-called bipartisan Republicans gave to Turkey—\$305,400,000.

Now we come to Yugoslavia. I shall not include the last amount she received, a few days ago. She received a sum at the very time she was taking farmers off their farms by the hundreds of thousands, at the very time when the Communist government was rounding up peasants and shipping them across the border to be taken care of by the United States military. We gave Yugoslavia \$117,200,000.

We gave to the South American nations \$1,651,392,000.

That makes a grand total up to June 1, 1949, of \$92,169,478,135.

When we consider that there are 13 States in the United States that do not have an assessed valuation of even \$1,000,000,000 each—in other words, there are 13 States which together have property of an assessed valuation of less than \$13,000,000,000, property representing every horse, every cow, every acre of land, and all their bank deposits—and then consider that we gave away more than \$92,000,000,000, we can begin to understand why the taxes on the people of this country are going higher and higher.

Mr. President, why are we worried all at once about the postal deficit? It is no higher today in proportion to the revenue than it was under Herbert Hoover when he was President of the United States.

Those who are in control say they want to increase the postal rates because they want to use it as an excuse for giving postal workers the lousy \$400 yearly increase of which I spoke a little while ago.

Mr. President, I am going to offer some amendments to Senate bill 1046, a bill to readjust postal rates. I am sending them to the desk at this time and asking that they be printed and lie on the table.

The PRESIDING OFFICER. The amendments will be received, printed, and lie on the table.

Mr. LANGER. Mr. President, the Postmaster General who suddenly threw about 17,000 men out of work—and thousands more are resigning right along because of the starvation wages they have been receiving, some of them because they cannot carry the heavy mail that results from one mail delivery a day—that very Postmaster General, when Mr. Truman was up for election, addressed the National Association of Letter Carriers in Miami, Fla., but he did not indi-



cate in his talk at that time what he was about to do.

I recommend to every Democrat upon this floor that he read the speech of the Postmaster General. The speech was delivered at a time when postal employees were supposed to be out of politics. He addressed a group of letter carriers at a national convention, which was supposed to be entirely nonpolitical in character. One-third of the speech, however, was devoted to politics. He told all that the Democratic Party was going to do for the postal workers. I do not have the least doubt that 99 percent of those present at that convention believed the various statements made by the Postmaster General. By the way, none of the promises he made since he came into office have been carried out. It is conceded all over the United States that he is by all odds the very worst Postmaster General we have ever had in the history of the country. But the postal employees at that convention apparently took his words at face value.

Mr. President, I am informed that this very man, who now talks about economy, this former letter carrier, who bragged about how he used to carry the mail, a few days ago got the Post Office Department to buy him a \$6,000 Cadillac so he would not have to wear out his shoe leather, although an old Ford was good enough for Calvin Coolidge when he was President of the United States and in the White House.

I come back now to section 12 of the bill which provides for restoration of delivery service. I wonder how many Senators are familiar with certain facts dealing with the order of the Postmaster General when that service was reduced. There never was any hearing on the matter anywhere, Mr. President. Very avidly the Postmaster General looked around for an excuse to lower the standard of service. He found that excuse when the appropriation bill was in the House committee. The House Appropriations Committee, as they have done time and time and time again, reduced the appropriation somewhat. What would the ordinary Cabinet member have done if that had occurred to his department? He would have gone to the proper committee of the Senate, which in this instance is the Senate Post Office and Civil Service Committee, and ask that the cut be restored. Three of us on that committee are members of the Appropriations Committee, the distinguished Senator from South Carolina [Mr. JOHNSTON], the distinguished senior Senator from Tennessee [Mr. McKELLAR], and the senior Senator from North Dakota. Did the Postmaster General come to us and say, "The House has cut my appropriation. I should like to have you restore it"? He did not. Did he go to the senior Senator from Tennessee [Mr. McKELLAR], the chairman of the Appropriations Committee and say to that distinguished Senator, "Now, Senator McKELLAR, you are chairman of the Appropriations Committee. The House has cut my appropriations too much. I want a hearing before your committee so I can present my case for having the cut restored"? Oh, no, Mr. President, he did not.

Only a few days before, there were 50 postmasters in the city of Washington meeting with the Postmaster General. I believe that was on the Sunday before. It was just 2 or 3 days before the Postmaster General suddenly issued the order reducing the delivery service. That was an order which resulted in the loss of 17,000 jobs. So far as our committee was able to find out he did not discuss this matter with a single one of those 50 postmasters who were in Washington just 2 or 3 days before. This arrogant man substantially said, "To hell with the Committees on Post Office and Civil Service. I am Jesse Donaldson, the Postmaster General. What difference does it make that 17,000 men lose their jobs or that their families go hungry? I am going to show my authority. I am not going over to see Senator McKELLAR, the chairman of the Senate Appropriations Committee, to ask him to have the cut restored. If McKELLAR wants to see me, let him come to see me. I am a member of the Cabinet."

Did he go to any member of the Senate Committee on Post Office and Civil Service? Not to one. The first knowledge any member of the Senate Committee on Post Office and Civil Service had of the action of this arrogant man was when we read about it in the newspapers.

Mr. President, it happens that I am the ranking minority member of the Senate Committee on Post Office and Civil Service. For 2 years I was its chairman. During that time the Postmaster General was in that Department. I saw the actions taken by Bob Hannegan and Frank Walker. Jesse Donaldson had been in the civil service for more than 40 years. If any man on earth ought to know how to handle the situation when his appropriations are threatened with a cut, it is Jesse Donaldson. When he was appointed Postmaster General it was said that he was a career man, a man who knew all about the postal service from A to Z. The postal employees were happy. At least one of their own members had ascended to the highest office in the postal service, in the gift of the United States, and Jesse Donaldson was now Postmaster General of the United States. The postal employees thought they would get a friendly welcome. They thought he was a man who would talk over the problems of the Department with them. No one was trying to tell Jesse Donaldson how to run his department. Frank Walker, although he was a member of the opposition, politically speaking, called me in time and time again, as chairman of the Senate Committee on Post Office and Civil Service or as ranking minority member. Time and time again Bob Hannegan called me. Even the President calls in both Republicans and Democrats on the Foreign Relations Committee or the Armed Services Committee. He says, "We have a problem. I want to hear both sides of the question. We want to work it out together."

Apparently the present Postmaster General did not care to talk over the situation with anyone, because he did not even talk it over with the senior Senator from Tennessee [Mr. McKELLAR],

the dean of the Senate and the chairman of the Committee on Appropriations, a man who for a great many years had been chairman from time to time of the Senate Committee on Post Office and Civil Service.

Immediately after the Postmaster General issued the order referred to, from all sections of the country complaints came in. The Postmaster General said, "They are putting up a fight on me personally." This is not true at all, Mr. President. As the ranking member of the minority on that committee, I wish to say to the Senate that the average Senator does not care a hoot about Jesse Donaldson. We are interested in having a fine, honestly conducted, efficient Post Office Department in the United States. We want the employees working in that Department to get an honest day's pay for an honest day's work. They are not getting it.

The Postmaster General says that he had to fire thousands of men because there was not money enough to pay them. I repeat that in my opinion he could have obtained every penny necessary, and a great deal more—some of it was restored later—if he had done what every other member of the Cabinet does, namely, consult with members of the committee having jurisdiction over the particular problem, talk it over, and reason it out.

On May 9, I delivered a speech on this very subject. If I do say so myself, it was one of the finest speeches dealing with this subject ever delivered on the floor of the Senate by any Senator. It represented many weeks of work. Did I receive even a letter from the Postmaster General? No. He figuratively thumbed his nose at the committee and at every Republican member of it.

Mr. President, this subject is very close to my heart. I have made an investigation of what some of the letter carriers and postal employees must go through. I wonder if the average Senator knows that some of those men have to get up at 3 o'clock in the morning and report at the office at 4 o'clock. They must then deliver mail in any and all kinds of weather, no matter how heavy the load. They eat their lunches wherever they happen to be at noon. In residential areas, where there are no restaurants, they must eat their lunches on the sidewalk in many cases.

On the 9th day of May, when I went into the subject of curtailment of postal service so fully and completely, I inserted in the RECORD a speech made by Hon. William C. Doherty, president of the National Association of Letter Carriers. He had testified before the Senate Committee on Post Office and Civil Service that very morning.

It so happens that I know Mr. Doherty very well. There is not a more patriotic or more honest man in the entire world. He wants to see the Post Office Department a success. He had devoted all of his adult life to making the United States Post Office Department the finest in any country in the world. When he came before our committee there were tears in his eyes when he related how country after country had two mail deliveries a day. He described a great many other



advantages which the postal service no longer had because of the order issued by the Postmaster General. He pleaded with our committee to restore the service.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. LANGER. I yield to the Senator from New Mexico.

Mr. CHAVEZ. I wish to compliment my good friend from North Dakota, first, for the speech which he is delivering. If anyone knows the subject and the troubles of the postal employees, it is the Senator from North Dakota. The Senator from North Dakota was chairman of the committee during the Eightieth Congress. I venture to say that, notwithstanding all the nice things he has said about Mr. Doherty, which are correct, after all, Mr. Doherty is connected with the postal employees. The Senator from North Dakota, even though he is a Republican, is the best friend the postal employees have ever had, either among the Democrats or the Republicans. I wanted to say that openly in the United States Senate.

Mr. LANGER. I thank my distinguished friend from New Mexico. I served under him when he was chairman of the committee. I certainly yield to him when I say that in my opinion he was a much better chairman of the committee than I ever was. I did best I could. However, as the Senator well knows, I have not been in the Senate as long as has my friend. The people of his State have sent him back time and time again. I hope they will continue to send him back as their Senator. If I was a good chairman, it was because of the help which I received from my friend when he was the ranking minority member.

Mr. CHAVEZ. Mr. President, will the Senator further yield?

Mr. LANGER. I yield.

Mr. CHAVEZ. I served as ranking member of the minority when the Senator from North Dakota was chairman of the committee. Let me say in all sincerity to the Senator from North Dakota that not once in committee was there a word said about politics. At all times every member of the committee tried to carry out the function of the committee in improving the postal service, at the same time taking care of the personnel in the postal service, who, in my opinion, are closer to the American people than the employees of any other Government department. There can be no question about that. If there is anyone who knows the American people it is the postal employees, the boy who delivers mail to Mrs. Jones and Mrs. Brown down the block, and who inquires about the child who is sick. He is the only one who actually works in Government. He performs manual labor. That is why I am so happy that both the Senator from North Dakota [Mr. LANGER] and the Senator from South Carolina [Mr. JOHNSTON], the new chairman of the committee, are trying to do a little something in behalf of these fine Government employees. Yes, there are loafers in the Government service. That cannot be said of the postal employees.

They are actually engaged in manual labor.

Mr. President, visualize for yourself the pulling of 100- and 200-pound bags all over the post office building in order that the delivery can be made once a day, and thus make it possible for a mother to get a letter from her son in Korea. They work hard. I am happy to see the Senator from South Carolina and the Senator from North Dakota trying to do something for them.

Mr. LANGER. Mr. President, I am sure my distinguished friend the Senator from New Mexico served on the committee at the time when it considered a pay raise bill for postal employees, and we found that married veterans with one child, and some of them with two children, were getting \$1,920 a year. Does my distinguished friend remember it?

Mr. CHAVEZ. Mr. President, in my presence a young woman from the city of Washington actually cried in telling us that for the last 4 days of the month, before her husband would get his next pay, they had nothing but a soupbone. When they got through with it back into the pot went the soupbone. They were lucky to get butter for Christmas. Mr. President, they were Uncle Sam's employees.

Mr. LANGER. That was the sworn testimony. It is available. Any citizen of this country can get that testimony by writing to me. I will have considerably more to say, and I am sure my distinguished friend from New Mexico will have much more to say, when we consider the postal-pay-increase bill. However, now we are considering the amendment offered by the junior Senator from Georgia [Mr. RUSSELL], which seeks to strike out a provision which was inserted, as I remember, unanimously by the committee. I shall be glad to have the chairman of the committee correct me if I am wrong.

Mr. JOHNSTON of South Carolina. That is correct.

Mr. LANGER. The chairman states that is correct. The seven Democrats and the six Republicans on the committee voted unanimously in favor of the provision.

Mr. JOHNSTON of South Carolina. I should also like to say that it was unanimously voted not only this year, but last year also, in the previous Congress.

Mr. LANGER. Yes.

Mr. JOHNSTON of South Carolina. It was also voted unanimously the last time.

Mr. LANGER. Yes. The Senator from North Dakota feels that if the amendment of the junior Senator from Georgia is adopted it will do more to demoralize the Post Office Department, almost, than could be done by any other piece of legislation. It would cause the rank and file employees of the Post Office Department to lose confidence in the Senate, which with the other House is the very last hope of these people.

In conclusion, I want to say that when we come to consider the bill for an increase in the postal employees' salary I shall offer some amendments. I char-

acterize the so-called pay increase of \$400 as a "lousy" increase, because that is exactly what it is, and it ought not to be offered by any group of people.

Mr. CHAVEZ. Mr. President, I have not kept track of the work of the committee as well as I should have done, particularly with respect to pay increases. However, is it not a fact that the average postal employee gets \$300 or \$400 less than other Government employees?

Mr. LANGER. Of course they do. They get, roughly, \$2,900 or \$3,000.

Mr. CHAVEZ. That is the difference?

Mr. LANGER. No; altogether.

Mr. CHAVEZ. They get that?

Mr. LANGER. Yes.

Mr. CHAVEZ. Is it not a fact that there is a differential between the pay of the general run of Government employees and the pay of postal workers, and is it not also a fact that the postal workers get a little less money?

Mr. LANGER. No; charwomen get less than the postal employees.

Mr. CHAVEZ. Yes. Is not the average salary of the lower echelons of postal employees less than that of the so-called classified Government employees?

Mr. LANGER. If we consider a million and a half employees, some are paid more and some are paid less. I would say that the Senator from New Mexico has sized up the situation pretty accurately.

Mr. CHAVEZ. Is it not a fact that at the time the Senator from North Dakota was chairman of the committee in the Eightieth Congress the committee reported a bill to increase the pay of postal employees by \$800?

Mr. LANGER. That is correct.

Mr. CHAVEZ. Our economizers on the Senate floor finally agreed on \$300?

Mr. LANGER. Four hundred and sixty dollars.

Mr. CHAVEZ. Was it \$460?

Mr. LANGER. Yes. As a matter of fact, the Senator from North Dakota—and he was joined by the able Senator from New Mexico—introduced a bill increasing the pay by \$1,000. As I remember, the Senator from New Mexico voted for it in committee. The committee, however, reported a bill providing an \$800 increase.

Mr. CHAVEZ. I hope that in carrying out these discussions with reference to a pay increase for postal employees we will always bear in mind that they are the boys and girls who work. They are the ones who actually work for the Federal Government.

Mr. LANGER. I agree with what the distinguished Senator from New Mexico has stated. I want to service notice now—and I hope that some of the other Senators will join with me—that when the pay increase bill comes before the Senate for consideration, instead of giving the postal employees a miserable raise of 8.8 percent, or a \$400 increase, I shall ask that the pay be increased by a thousand dollars. If we cannot get an increase of a thousand dollars, I will propose an increase of \$900. If we cannot get an increase of \$900, I will propose an increase of \$800. Certainly justice for



these employees is long, long, long overdue.

**TENTATIVE DECISION OF COMMITTEE ON FINANCE WITH RESPECT TO TAXING FARMER COOPERATIVES**

Mr. MURRAY. Mr. President, I am deeply concerned by a release I received from the Finance Committee showing that a tentative decision has been made to include taxes on farmer cooperatives in the Revenue Act.

I am concerned because on the very day this press release No. 5 was issued by the committee—August 29—the Nation was also advised by the Bureau of Agricultural Economics in the Department of Agriculture that the prices farmers receive had fallen for the sixth consecutive month. The decline from July 15 to August 15 was 2 points. During the same month, prices that farmers have to pay for machinery and supplies increased by 1 point.

Farmers are in a very tight economic situation. Their prices have risen 9.4 percent in the past year, but the prices of the things they have to buy have risen even faster. The prices farmers have to pay now stand 9.7 percent above a year ago, and it is very obvious that the situation is going to worsen within the next few months.

Mr. President, farmers in the present emergency have responded in a splendid way to the requests of our mobilization officials for all-out production of foodstuffs. Farm production goals this year called for a production nearly 5 percent higher than ever before in history. Recent estimates indicate that these goals will be reached and that some will be exceeded. The result of this patriotic response to the Nation's mobilization needs will be to hold down prices paid for agricultural commodities. It seems very probable that, as the harvest proceeds, prices paid to farmers will be inclined to drop further.

The Congress has made it equally certain, through amendment of the price-control features of the Defense Production Act, that the prices which farmers pay will go up. In that act, Congress authorized price increases on manufactured goods to offset cost increases since June 1950. It seems quite certain that ceiling prices on the things that farmers have to buy in the operation on their farms and in family living will have to be raised from 7 to 10 percent, unless we do the unexpected and repeal the so-called Capehart amendment provisions.

So, Mr. President, it seems to me that the simultaneous announcement of the Finance Committee's action and the figures revealing the economic squeeze on agriculture should cause us to pause and seriously consider the wisdom of embarking on a punitive taxing expedition against farmer cooperatives. After World War I, when farmers were in a tight economic situation, the Congress of the United States did not attempt to pile new and additional handicaps on farm people. Instead, Congress adopted the very policy which the Finance Committee now proposes to re-

peal, namely, encouragement of farmer cooperatives.

Following World War I, the farmers were the first to drop into a depression. Now, again, in this period, with the purchasing power of farmers falling, without the maintenance of the principle of farmer cooperatives, farmers will be unable to meet the developing economic conditions. All during World War I, the farmers were denied an opportunity to make profits comparable to the profits made by industry. Soon following World War I, the farmers found themselves in a desperate situation. They had accumulated no reserves of profits and their prices went down to the lowest point in decades, while the cost of everything they required was increased.

It was during that period, when agricultural prices fell further and faster than other prices in our economy, that the Congress passed measures designed to encourage the farmers to develop cooperatives. It was the hope and expectation that through the use of the cooperative device, farmers could pool their buying and selling activities and would get a little more economic strength through their joint dealings with the large corporations, monopolies, and cartels. Before the widespread development of cooperatives, the individual farmer had been forced to turn his unprocessed products over to buyers at an ungraded field price and, on the other hand, he was compelled to pay whatever price was asked of him at the retail outlets for the supplies he needed. The farmer cooperatives permitted farmers to make some savings by banding together in both buying and selling operations, and thus improving their economic position.

Mr. President, it would seem to me most tragic if in this critical period the Congress were to tell our farmers, now facing lower profits and increasing costs, that it intends to destroy their cooperatives, not encourage them. The people of this country should never forget how we slipped into the great depression of the thirties, which cost us billions of dollars, through penalizing and hamstringing the farmers.

It is my opinion that today we should be at work reviewing our agricultural price-support policies to prevent a deflation of agriculture, instead of considering any petty, punitive action against agriculture, action which cannot be of any benefit to the country. We should stop and consider carefully the propriety of asking the farmers, on the one hand, to produce an abundance for mobilization, and, on the other hand, telling them that if they do, their price supports will be lowered because of the increased margin of the prices paid for farm products over the prices charged for our immediate needs.

The encouragement of farmer cooperatives is only one of the aids that farmers need, as the Congress learned after World War I. The Federal Government's policy of encouraging farmer cooperatives, adopted in that period, did not prove adequate to prevent wholesale

bankruptcies in agriculture. As the farm depression of the twenties deepened into the great depression of the early thirties, the bottom dropped out of agricultural prices, and farmers found it necessary to call upon their Government to provide price supports. It was in that period that the concept of parity farm prices, that is, a fair price to farmers, was developed. This concept was designed to give farm products a constant purchasing power in terms of industrial products and the other goods and services that farmers are required to buy.

Mr. President, again we are at a point in our history where the economic trends are turning against agriculture. Farm purchasing power is declining, farm reserves are disappearing, and farm mortgages are increasing again. There are a great many statistics to prove this point. Only yesterday my attention was directed to the fact that the volume of farm-mortgage debt has been rising constantly since 1946, with increasing speed. The farm mortgage debt increased by 2 percent in 1946 and 1947. It increased by 5 percent in 1948. It increased by 6 percent in 1949. In 1950 it increased 8 percent. On January 1, 1951, the farm mortgage debt was \$5,800,000,000 higher than on any date since late 1942, and the rise was continuing.

The average interest rate paid on the farm mortgage debt is now 4.7 percent, the highest since 1940.

Mr. LANGER. Mr. President, will the Senator yield at this point for an observation?

The PRESIDING OFFICER (Mr. CLEMENTS in the chair). Does the Senator from Montana yield to the Senator from North Dakota?

Mr. MURRAY. I yield.

Mr. LANGER. It is true, is it not, that the interest rate today is higher than it was; the interest rate is also increasing?

Mr. MURRAY. Yes; on farm mortgages the interest rate has risen to 4.7 percent, and it is increasing right along.

Mr. LANGER. Yes.

Mr. MURRAY. Mr. President, non-real-estate farm debts increased during 1950 by \$800,000,000, to a total of about \$6,000,000,000.

All those figures on the current farm economic situation are contained in a report recently issued by the Bureau of Agricultural Economics. Federal Reserve bank figures reflect a similar situation in agriculture.

Indicative of the growing disadvantage to farmers is the fact that farmer demand deposits showed a decline in 1950 in the Minneapolis, Kansas City, and San Francisco Federal Reserve districts, while the deposits of other individuals and business concerns were increasing. In the Minneapolis Federal Reserve district, demand deposits of farmers dropped 5.5 percent in 1950, while the deposits of other individuals increased 4.1 percent and the deposits of business concerns increased 5.6 percent.

Farmers' taxes have already been increased. The tax on farm real estate



was 8.4 percent higher in 1948. It rose another 7.4 percent in 1949, and there was a further increase of between 4 percent and 5 percent in 1950.

Wherever we turn, we see the statistical storm signals which should warn us that agriculture is approaching a very serious situation.

It is extremely distressing to me that at a time when we should be concerned with the economic welfare of farm people, consideration is even given to a tax amendment which is designed, not to raise revenue, but to destroy the farmers' cooperative as an economic instrumentality. The enactment of such a tax would be traveling in exactly the opposite direction from the one which history and all economic signs indicate we should travel.

Mr. President, I have one other concern about this proposal. It is reported that the proposed tax on farmer cooperatives would only raise eighteen or twenty million dollars in revenue the first year, and that revenues would drop off to little or nothing in ensuing years if the cooperatives adjusted their charges downward, so as to reduce taxable margins. The prospective returns are too small to convince anyone that the main purpose of the cooperative tax provisions is to raise revenue. The 6,600,000 members of farmers' marketing and purchasing associations know very well that these proposals are special-interest legislation. These 6,600,000 farmer cooperative members and all the rest of the citizens of the United States were made fully aware of the special-interest sponsorship of these tax proposals during their consideration in the House of Representatives. I am sure that nearly every Member of this body has seen the speech by Representative REED of New York, in which he denounced the National Tax Equality Association and listed its contributors. I am not going to repeat his material, for it is in the RECORD. Representative REED's revelations were only the latest of many exposures which have been made of the activities of the National Tax Equality Association, exposures which should cause every Member of this body to close his door to the representatives of this reprehensible group.

I have consistently opposed these pressure groups, and I feel buttressed in my position since I read a telegram released by the junior Senator from North Dakota [Mr. YOUNG] revealing such tactics. In August 1949, Mr. Vernon Scott, of the National Tax Equality Association, proposed to circulate a personal letter which the Senator from North Dakota had received from one of his constituents, and the Senator vigorously protested the proposed use as unscrupulous. He demanded that there should be honor in organizations, as well as among individuals. In the telegram which he sent to Mr. Bert E. Groom, of the Tax Equality Association, in North Dakota, the junior Senator from North Dakota further indignantly protested that he was opposed to being associated through publicity programs with an organization that proposes further taxes on the members of the REA cooperatives. He

pointed out that ever since coming to the United States Senate, he had been besieged by one pressure group or another. And now—

He said—and I use his own words—in a more obnoxious way pressure from one Vernon Scott, attorney for the National Tax Equality Association, even to the extent of offering to raise \$10,000 or more in campaign funds from sources which have opposed me in the past.

Continuing, he said:

I shall, of necessity, have to protect myself from being involved in any scheme such as this. It is my belief that practically every small-business man in North Dakota would resent NTEA or any other organization using a personal letter of a farmer to me over my objection. Principle still means more to me than reelection to the United States Senate. I still have my farm and I haven't forgotten how to operate it.

The revelation of this \$10,000 offer, referred to by the Senator from North Dakota [Mr. YOUNG] shocked the people of the whole northwestern area when it was first made. I am certain that it remains in their minds, for it has been mentioned to me in communications very recently.

The former President of the United States, Mr. Herbert Hoover, speaking recently at the Iowa State Fair, called for a return to old-fashioned virtues.

If the Senate should now adopt the National Tax Equality Association's tax proposals—and this very group appeared and is prominent in the current effort to tax cooperatives—there are going to be hundreds of thousands of citizens in western agricultural areas shocked and angered by the activities of such a thoroughly unscrupulous lobby. They will be convinced that Mr. Hoover's plea has been totally ineffective. I am personally amazed that the business interests which back the National Tax Equality Association have continued to make their contributions to it down to this very day, apparently undisturbed by its tactics, and willing to be associated publicly with such tactics. Mr. Scott, who approached the Senator from North Dakota [Mr. YOUNG], has not even been removed, but continues as the principal official of the NTEA.

Mr. President, in view of the economic situation in agriculture; in view of the major policy reversal in regard to farm cooperatives which is involved; in view of the comparative pittance which the proposed tax would raise, and in view of the well known and highly reprehensible tactics of the special-interest group behind the inequitable cooperative tax proposals, I sincerely hope that the Finance Committee will reverse its tentative decision on this matter.

Instead of giving serious consideration to the proposals of the National Tax Equality Association, it should be investigating that organization.

#### ELIMINATION OF TAX LOOPHOLES

Mr. HUMPHREY. Mr. President, I was very much disturbed at a news item in the Wall Street Journal for today reporting on certain tentative decisions made by the Senate Finance Committee with regard to the tax bill. I ask unanimous consent that the article be printed in the body of the RECORD.

At a time when our Nation is facing severe crisis and is asking for sacrifices by the American people the Senate Finance Committee has seen fit to grant special privileges in the form of tax loopholes to a few Americans at the expense of the many. I serve notice, Mr. President, that I expect to join with other Senators in fighting these loopholes on the floor of the Senate when the bill is reported. The committee decisions on loopholes mean roughly that more than an additional \$100,000,000,000 will be lost in revenue.

I am also disturbed by the committee decisions to cut corporate taxes by \$750,000,000 during a time when corporate profits are reaching the \$50,000,000,000 mark.

I urge the Senate Finance Committee to reverse its position and the direction of its recommendations.

I ask unanimous consent that a statement submitted by me to the Senate Finance Committee setting forth a program for the elimination of tax loopholes be printed in the body of the RECORD at this point.

There being no objection, the article and statement were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal of September 6, 1951]

SENATE GROUP VOTES 10-PERCENT TAX ON GAMBLING—INCREASES DEPLETION ALLOWANCE FOR COAL—COMMITTEE'S ACTIONS SO FAR PUT TOTAL OF BILL AT \$6,000,000,000

WASHINGTON.—Tax relief for producers of a long list of minerals, including coal, was approved by the Senate Finance Committee yesterday.

The Senate group approved these provisions substantially as carried in the House-passed revenue bill.

The Senators also accepted the House provision placing a 10-percent tax on wagering.

All told, the committee netted about \$200,000,000 in estimated yearly revenue as a result of the day's work. Some \$200,000,000 or more a year would be lost to the Treasury by the decisions affording tax relief, while an estimated \$400,000,000 annually would be raised by the gambling tax.

This raises to about \$6,000,000,000 the expected yearly income from provisions adopted by the Senate committee compared with \$7,200,000,000 in the House bill. All major items in the House measure have now been acted on.

A number of amendments submitted by the Senators themselves still have to be considered, however. Most of these would involve revenue losses.

These actions were taken by the Senate group yesterday:

Home buyers: The committee adopted the House provision on taxes on profits on home sales. Under this a person who makes a profit selling his own home would not have to pay capital-gains taxes if he purchases another residence with the money within a year. Under present law he must pay the tax on the profit even if he needs it all to buy another house.

The committee liberalized the House provision slightly to provide that where the home seller begins construction of a new house within a year after selling his home and he uses the new house within 18 months of the earlier sale, he could take advantage of the tax exemption. A committee spokesman said the Senators might ease this provision still further in later actions. The cost of the House provision was estimated at \$112,000,000 a year.



short-term capital losses against long-term capital gains, and the denial of multiple surtax exemptions and excess-profits credits resulting from corporate split-ups. These provisions should be retained but the scope of tax revision should be substantially expanded.

#### *Individual income tax*

Perhaps the most equitable feature of the entire bill is the defense tax which increases all present taxes by 12½ percent. Nonetheless, it has been criticized severely, mainly by the same people who object to closing loopholes.

We can dispose of the first criticism quite easily. It is said that the 12½-percent increase in tax liabilities is confiscatory and that it is too burdensome on the rich. There can be no doubt that this portion of the bill calls for the rich to make a real contribution to the defense effort. This is exactly why I consider this measure to be equitable and desirable. For a married person with two dependents, the defense tax would reduce spendable income by 2.3 percent at the \$5,000-net-income level, 3.6 percent at the \$10,000 level, 4.8 percent at the \$25,000 level, and 8.1 percent at the \$100,000 level. The charge of confiscation cannot be taken seriously, since the \$100,000 taxpayer will have \$41,600 left after taxes even after the increase provided by this bill, and without taking into account the many opportunities for tax avoidance which are available to the \$100,000 taxpayer.

The argument against the 12½ percent increase which is to be given more serious consideration is that there are other means of raising \$3,000,000,000 in the framework of the individual income tax which would more effectively relieve inflationary pressures. It is theoretically true that, potentially, a dollar in the hands of a person who needs that dollar for everyday expenditures is more inflationary than a dollar in the hands of those who are fortunate enough to save part of their income. However, I feel strongly, and I am convinced that the majority of the American people share this feeling, that taxable individuals in the lowest brackets are already contributing more than their fair share of the total tax burden.

The staff of the Joint Committee on the Economic Report recently published the latest study of the distribution of total Federal, State and local taxes by income levels. These figures are no less than startling and it is unfortunate that they have not been given more widespread publicity. The facts are that, in 1948, individuals and families with incomes under \$1,000 paid 23.6 percent of their income in taxes to all levels of government. This compares with 20.3 percent between \$1,000 and \$2,000; almost 22 percent between \$2,000 and \$5,000; 23.1 percent between \$5,000 and \$7,500; and 31.7 percent in the classes above \$7,500. Thus, the people with incomes below \$1,000 actually bear a heavier tax load, when all taxes are taken into account, than any group up to the \$7,500 level.

The brunt of the recent rise in prices fell on those people who can barely make ends meet. In the light of the facts I have just mentioned, it would be cruel to require low-income people to pay a disproportionate share of the additional tax load needed for defense. I submit that the need to impose taxes to help control inflation should not be used as an excuse for the adoption of oppressive increases in income taxes or some form of sales taxation which would weigh less heavily on wealthy individuals who can contribute to the national effort without suffering any hardship.

It is well to recall, in this connection, that persons in the middle and higher income brackets derive the largest benefits from the preferential treatment granted married persons in the Revenue Act of 1948. The income-splitting provision, which was adopted

at that time to equalize tax burdens of married persons in all States, created serious inequalities in the tax treatment of single persons and married persons. H. R. 4473 not only does not remove these inequalities but actually increases the tax differential between single persons and married persons by the same 12½ percent by which all rates are increased.

The Ways and Means Committee was well aware of these inequalities and felt it necessary to extend half of the advantage of income splitting to single persons who are heads of households. A head of household is defined in H. R. 4473 as single persons who maintain in their household children or their descendants whether or not they can support themselves or who maintain any relative for whom they claim an exemption under present law. The line between single persons who do and who do not qualify as heads of households is not sharply drawn by this definition. Considerable litigation will result and there is grave danger that eventually the principle of income splitting with its regressive effects will be extended to all single persons.

Income splitting reduced the effectiveness of rate graduation in the individual income tax and consequently increased the relative tax burden of the lower income classes, particularly those whose surtax net income is below \$2,000. Extending this privilege or parts thereof to heads of households further reduces the effectiveness of rate graduation and does so precisely at a time when the burdens of all other taxpayers are being increased in the interest of the defense effort. It is my conviction that the reduction of the differential in tax liabilities between married persons and single persons should be reduced not by extending the regressive feature of income splitting to a new category of taxpayers but on the contrary by eliminating this privilege in the case of married persons.

I suggest that the head-of-household provision be removed from the bill and that the bill be revised so as to remove the advantage of income splitting for all married persons. This can be done without destroying the equality of tax treatment for married persons in all States and without jeopardizing the operation of local property laws. It would mainly affect married couples whose surtax net income is in excess of \$10,000. It would not alter the tax liabilities of married persons in the first surtax net income bracket and would increase the liabilities of married couples under \$10,000 by relatively small amounts. The revenue to be gained from this revision amounts to about \$2,800,000,000 under the rates provided by the bill.

#### *Corporation taxes*

The bill raises corporation income and excess-profits taxes by a total of \$2,800,000,000 in a full year. This increase is justified on the basis of the large increases in profits which corporations have experienced. For the entire year 1951, the Joint Committee on Internal Revenue Taxation estimates that corporation profits will amount to \$20,000,000,000 after the taxes imposed by this bill. This compares with average profits after taxes in the three best years of the base period 1946-49 of \$18,800,000,000. Even though corporations are subject to an excess-profits tax on earnings in excess of 85 percent of average base period earnings, it is now clear that relief provisions which greatly enlarge the concept of normal earnings operate to exempt a large portion of excess profits from special taxation.

It has been contended that the tax increase imposed by the House bill, which becomes effective on January 1 of this year, is retroactive. Except for the increased corporation income taxes adopted last year, changes in corporation tax rates have ordinarily been made effective beginning in the

calendar year during which the legislation was enacted. I consider the departure last year as having been unwarranted. This year, deferment of the corporation income tax increase until after the bill is enacted would free the corporations from increased tax burdens on their record profits. Profits in the first half of the year will run at an average annual rate of close to \$50,000,000,000 before taxes and after taxes they will probably average \$23,000,000,000. These are high profits by any standard and are properly subject to higher taxes. The argument that increased corporation taxes made effective the first of the year are retroactive is merely a pretense to enable corporations to escape their fair share of this year's tax burden.

#### *Undesirable provisions in the bill*

As I have indicated, there are a number of technical provisions which have been inserted in the bill in the name of tax revision, but which provide substantial and unwarranted tax reduction. It is unconscionable to impose \$3,000,000,000 of taxes on ordinary individual incomes and at the same time to allow a few to have very substantial tax reductions.

The provisions I refer to are the extension of percentage depletion to a large number of minerals at a cost of \$67,000,000; the double deduction granted to development costs in mining at a cost of \$20,000,000; the extension of capital gains treatment to coal royalties at a cost of \$10,000,000; and the head-of-household provision, which I have already discussed, at a cost of \$56,000,000. Finally, the provision on family partnerships, which was eliminated in the Revenue Act of 1950, is back again to plague us. The Committee on Ways and Means did not estimate the revenue loss from this provision, but it will certainly run into millions of dollars.

I believe it is desirable to examine only one of these provisions to illustrate how thin the justification for the relief is in these cases. On the subject of coal royalties, for example, the Committee on Ways and Means stated that coal royalties should be treated as capital gains because lessors of coal property have not, it is claimed, received price adjustments for royalty contracts made in the past and that some of them cannot benefit from percentage depletion even under the generous terms of present law. To compensate such individuals for these great hardships the tax law singles them out and grants them capital gains treatment. This is no more unfair than if we were to grant capital gains treatment to interest on bonds issued before January 1, 1951, on the ground that the interest rate is fixed by contract and is not adjusted for price increases. There is absolutely no justification for such discriminatory provisions and they should be eliminated from this bill.

I need not dwell at great length on the family partnership provision which we discussed in full on the Senate floor in connection with the Revenue Act of 1950. This provision is the same as that in the Senate version in the Revenue Act of 1950 which was eliminated by the House and Senate conferees.

There is no question that this family partnership provision opens up a very substantial new loophole. Far from simplifying the law this provision will multiply and codify a number of existing complications. It literally invites every owner of a moderately successful business to split his business income with his children and other relatives by granting them an interest in the business through a gift of capital. The report of the Ways and Means Committee justifies the provision on the ground that it is intended to clarify the law. But it is really intended as an announcement to all individuals that for the relatively minor cost of changing their business from a sole proprietorship to an artificial partnership it



will be possible to split their incomes several ways for tax purposes.

Combined with the elimination of the advantage of income-splitting for all married people, removal of the provisions which I have enumerated would add a total of almost \$3,000,000,000 of revenue to the bill.

#### PROPOSED LOOPHOLE-CLOSING PROVISIONS

##### Percentage depletion

The first and most important loophole which should be closed is the percentage depletion loophole. At present rates and income levels, percentage depletion saves oil and mining interests at least three quarters of a billion dollars a year. Such a tax relief cannot be justified either on equity grounds or on economic grounds.

The Secretary of the Treasury has discussed with your committee and the committee on Ways and Means the nature of this loophole and has presented some astounding figures as to how big it really is. He also outlined to you in some detail, during the hearings on the Revenue Act of 1950, the adjustments which can be made as a first step toward eliminating this loophole. His proposal was to reduce percentage depletion for oil, gas, and sulfur to 15 percent of gross income and for nonmetallic minerals to 5 percent. He also proposed that oil and gas operators who elect to deduct as expense intangible drilling and development costs be required to reduce income from the property by the amount of such expended costs in computing their depletion allowance. These changes would increase revenues by \$300,000,000. If adopted, they would eliminate the excuse for extending percentage depletion to other minerals, as the House bill does. So long as these provisions remain unchanged, it will be difficult to withstand the pressure to enlarge the list of minerals allowed percentage depletion.

##### Estate and gift taxes

Except for the estate and gift-splitting provisions which were enacted in 1948, the estate and gift taxes have remained untouched since 1942. The opportunities to avoid high transfer taxes either by placing property in trust or making gifts still remain open for those who have skilled legal counsel. The 1948 provisions, moreover, undercut substantially the effectiveness of the already weakened rate structures of these taxes. In their present state, the transfer taxes are no more than a mere appendage of the tax system and do not accomplish either the equity objective for which they were designed or raise sufficient revenue in a defense period.

The Secretary of the Treasury has given to your committee a detailed account of the loopholes in this area and has also recommended specific measures that might be adopted to strengthen them. He suggested that exemptions be reduced and that rates be increased. I would add to this that the estate and gift-splitting provisions should be repealed. At least \$700,000,000 of additional revenue can easily be raised from these revisions. This would increase the total yield of the estate and gift taxes to almost \$1,500,000,000, an amount which would not be unduly burdensome in view of our requirements for additional revenue.

##### Capital gains

The capital gains rate is now limited to a maximum of 25 percent and profits from the sale of assets held for 6 months or more are given this preferential treatment. So far as I have been able to determine, the 6-month holding period accomplishes nothing except to reduce the taxes of speculators who are able in one way or another to hold their gains for at least 6 months in order to obtain the preferential rate on long-term capital gains.

The low rate of tax on capital gains singles out for special treatment incomes which are

no less evidence of ability to pay than other types of incomes. Moreover, capital gains are a high proportion of income in the highest brackets and the preferential treatment accorded them is, therefore, especially favorable to the wealthy.

The logic presented by the Secretary of the Treasury seems to be appropriate for correcting this deficiency in the tax bill. He pointed out in his statement to you that the starting rate on ordinary incomes and the rate on long-term capital gains for individuals not subject to the alternative tax were increased substantially under the Revenue Act of 1950 and will also be increased again under this bill. The adjustment in the rate in the alternative tax should be increased correspondingly.

Another adjustment in capital gains provisions which should now be made is the elimination of sections 117 (j) and (k). Section 117 (j) is the "one-way street" which gives individuals and corporations the opportunity to be taxed at capital gains rates on profits from the sale of depreciable property, but allows them to deduct losses on such property in full. Section 117 (k) gives capital gains treatment to timber and under the bill it is expanded to coal royalties.

Lengthening the holding period, an increase in the alternative tax rate commensurate with the increases in the starting rate on ordinary incomes since Korea and repeal of sections 117 (j) and (k) would raise the revenue from capital gains by an additional \$400,000,000.

I have reviewed fairly extensively the provisions of the House bill in order to indicate how they can be revised and strengthened to yield sufficient revenue for our pay-as-we-go policy. Most of my suggestions involve eliminating loopholes which have crept into this bill and old loopholes which still remain in the law. Loophole closing is not an easy undertaking since it will raise oppositions by powerful interests. Unfortunately, the man on the street does not have a lobby to protest the injustices in our tax laws. He must be protected nonetheless.

We are all committed to a pay-as-we-go policy. It is essential to the continued success of the defense program. It is our duty and responsibility to the people to see to it that increases in their taxes are accompanied by reductions in the unwarranted relief provisions of the present tax laws. Your colleagues in the Senate are relying heavily on this committee to report to them a tax bill which meets these requirements.

#### READJUSTMENT OF POSTAL RATES

The Senate resumed the consideration of the bill (S. 1046) to readjust postal rates.

The PRESIDING OFFICER (Mr. UNDERWOOD in the chair). The question is on agreeing to the amendment of the Senator from Georgia [Mr. RUSSELL], on page 30, to strike out section 12, regarding restoration of delivery service.

The amendment was agreed to.

Mr. CHAVEZ. Mr. President, I send forward an amendment, which I ask to have read.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. In the committee amendment on page 18, line 14, following the colon, it is proposed to strike out the language down to and through the word "section" in line 18, as follows: "Provided further, That the minimum charge per piece of 1¼ cents specified in the foregoing proviso shall be increased to 1½ cents 1 year after the effective date of the increases in rates made by this section."

Mr. CHAVEZ. Mr. President, in reference to the committee amendment appearing on page 18 of the bill, I desire to make a brief explanation. On page 18, in line 13, the committee amendment provides that "the rate shall be 10 cents for each pound or fraction thereof with a minimum charge per piece of 1¼ cents." On the same page, I propose to strike out completely the proviso which reads: "Provided further, That the minimum charge per piece of 1¼ cents specified in the foregoing proviso"—that is, the original 1¼ cents—"shall be increased to 1½ cents 1 year after the effective date of the increases in rates made by this section."

Mr. President, in the briefest possible time I should like to discuss section 3 of this bill, which contains the proviso I have just read.

This section, dealing with third-class mail, the poor man's carrier, involves over 10,000,000,000 pieces of mail annually, and is the major vehicle by which our great national charities and thousands of small-business men derive their revenue.

It is an important question. It involves the economic fate of many people, and many small communities. It involves the future of our voluntary philanthropic organizations, such as disabled veterans, Boys Town, March of Dimes, crippled children, and other worthy charities. It involves so much that I ask the indulgence and implore the attention of the Senate for a few minutes while we earnestly look at this proposal.

The bill proposes, on page 18, line 14, through line 17, that the rate, which is now 1 cent per piece when mailed in bulk quantities, be increased 25 percent this year, and another 25 percent next year. This would involve a 50-percent increase in third-class mail. Such an increase would not only work serious hardship, but I doubt whether it would provide anything like the revenue anticipated. As every businessman knows, one cannot increase revenue merely by jacking up his price. Third-class mail exists because it is, perforce, an economizer. If it ceases to be such, then we find an immediate falling off of the utilization of third class, and a transfer to the use of other mails, such as magazine and newspaper advertising, door-to-door circulars, radio, TV, and so forth. This will not result in any saving to the Department, since the third-class revenue is derived by the Department without the employment of personnel or facilities in proportion to the revenue which it produces.

In other words, the Department has certain standing facilities, which it must maintain anyhow, which are used for handling first-, second-, and fourth-class mail. Irrespective of what happens, that service must continue. When these facilities and the personnel are not engaged in handling these higher priority mails, the third-class material is worked on. Moreover, this type of mail requires much less handling, since it is brought to the post offices rather than being collected from boxes, with precanceled stamps, faced, sorted, and tied, so that the Department's work is negligible.



One more point regarding the third-class mailer. To a small-business man, the usual facilities of national advertising and promotion are prohibitive. He cannot afford them. He cannot advertise. Yet he may produce a product locally, in Spartanburg, S. C., Peoria, Ill., or Santa Fe, N. Mex., which is desired and useful to people in all the 48 States. He cannot send salesmen on the road, or establish show windows in the great merchandising centers of the country. He can merely mail the information about his product to retailers and customers. Such mailings are done via third-class. They invariably generate great quantities of first-class responses. They result in a considerable and profitable business to the Department.

Also, they make it possible for the small business to reach a national market. But, and I stress this most earnestly, if this small-business man's mailing cost is increased 50 percent, so that his chances of covering his mailing costs are dubious, then he will most certainly be compelled to seek some other means of advancing his product. I fear that many small enterprises will go to the wall for want of a substitute medium.

In the case of third-class mail, a 25 percent increase appears to me to be adequate, and anything more than that, at this time, prohibitive and self-defeating.

I do not think that there is any precedent for graduating the increase in mail rates as this bill proposes: 25 percent the first year and 25 percent the next year thereafter. In second class the increases are staggered because various magazines have subscriptions which run for several years and, consequently, there is no way of passing on an increase except gradually.

But, in the matter of third-class, or first-class, I think it would be a most dangerous precedent for the Congress to propose legislation which binds the hands of future Congresses.

What right have we in the Congress to pass legislation binding the next Congress? I believe it is only fair that we should act for ourselves and at least give the next Congress a chance to look into the question.

Let us pass the bill making this increase from a cent to a cent and one-quarter. Do Senators realize what that means? It means a 25 percent increase in the first section of the proviso. We increase it from one cent to a cent and a quarter. That is a terrific increase. I am willing to go along with the committee on that point.

In the meantime I understand that a thorough, impartial Joint Committee, suggested by most members of the Committee, will conduct a thorough study of the Department and the rate-making machinery. They will come up with recommendations and a complete analysis of the cost-accounting system. Then we will know with certainty where to allocate deficits and where to increase or lower rates.

Until that time, it would seem foolhardy and inequitable to slap a 50 percent increase on to a vital classification of mail two years in advance.

In conclusion, Mr. President, I should like to add one thought in the spirit of caution.

One of the prime factors in developing our country has been the postal service. I stated earlier in the day that when the founders of the Nation and those who gave us the written law of the land provided for post offices and post roads they intended to give service to the American people.

It was not sheer caprice on the part of the founding fathers that they insisted on a postal service, and it is significant that the Postmaster General was one of the first Cabinet officers to be created along with the Secretary of the Treasury and the Attorney General.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. CHAVEZ. I am delighted to yield.

Mr. DOUGLAS. The distinguished Senator from New Mexico stated that the founding fathers intended the postal service to be an instrumentality of education. May I inquire whether they intended that the postal service should operate at a deficit of \$555,000,000 a year?

Mr. CHAVEZ. No; but when the Senator from Illinois votes for pay increases for postal employees we are likely to have a deficit, and we cannot blame the Post Office Department. I recall the first deficit the Post Office Department had. It was \$340,000,000. It was not on account of the cost of operating the Department; it was because we thought, under our responsibility, that the salaries of the employees of the Post Office Department should be increased to that extent. Certainly the Department should not operate at a deficit. But the distinguished Senator from Illinois, who is a historian at heart and a teacher of history, knows it was never intended that the Post Office Department should be a revenue-collecting agency of the Federal Government. Am I correct?

Mr. DOUGLAS. The Senator from New Mexico is eminently correct. I do not think anyone proposes that the Department should be a collector of revenue, but I think everyone is frightened at the deficit.

Mr. CHAVEZ. The Senator from Illinois is correct. There are too many subsidies to the airplane companies and too many subsidies to others. Go to the Washington Airport now. How much do the people who bring the mail by airplane to that point pay to the Federal Government for the handling of the mail? We make the Santa Fe Railroad pay and we make the Baltimore & Ohio Railroad pay. When we compel the publishers of magazines and newspapers to pay proportionate and adequate rates in order to advertise the tomato juice which is advertised to be sold to the Senator from Illinois, I do not think we shall have that deficit. Nevertheless, one of the prime factors in developing our country has been the postal service, and I actually believe in my heart what I stated a little while ago, that it is the agency of Government closest to the American people, in addition to the fact

that I also feel in my heart that the postal employees actually earn their pay.

Recently we have heard comments that the Post Office must be run as a business, and that it should show a profit, or break even. This type of thinking is absurd and stems from ignorance. How would it ever be possible to develop such States as the Rocky Mountain States, or my own New Mexico, were it not possible for the remote farmer, lumberman, miner, to do his shopping and keep in contact with his friends and family via the mails?

Of course the postal deficit is large. Much of that deficit is due to added burdens, subsidies for aviation, and other carriers, which have been tacked on to the postal budget. There is free Government mail. There are other burdens placed on the Department.

Let us not be stampeded into an orgy of rate raising, only to discover that we have actually acquired no additional revenue and merely crippled the Department in the field of general public service, for which it was originally created.

Mr. JOHNSTON of South Carolina. Mr. President, I have listened with interest to the statement made by the Senator from New Mexico. The committee heard arguments pro and con with regard to whether a 25-percent increase would be the correct percentage or whether a 50-percent increase would be correct, or whether the increase should be 15 percent, or some other figure. It was brought to our attention that if as much as a 50-percent increase were imposed at one time it would hurt many small-business concerns throughout the Nation. That was the reason we provided for a 25-percent increase in the first year and a further 25-percent increase in the second year. The members of the committee felt that was the right course to pursue. I understand the House desires a flat 50-percent increase. The committee known as the Carlson committee is going to make a study in regard to rates, and if they find that next year we should provide for a further 25-percent increase, we can make it.

Mr. CHAVEZ. That was my suggestion.

Mr. JOHNSTON of South Carolina. That being so, I feel inclined to accept the amendment and take it to conference and see if we can work out a satisfactory arrangement between the House and Senate committees.

Mr. LANGER. Mr. President, first of all I wish to enter a motion to reconsider the vote by which section 12 of Senate bill 1046 was eliminated from the bill by action taken by the Senate a short while ago. I might add that I was called from the Chamber and was not present at the time the vote was taken.

Mr. President, do I correctly understand that the distinguished Senator from South Carolina is going to take to conference the amendment offered by the Senator from New Mexico?

Mr. JOHNSTON of South Carolina. Yes. It will not affect the revenue the first year. We are having a study made of what should be done for the future. If we find that in justice and equity a



25-percent increase should be made next year, that increase can be made.

Mr. LANGER. I wish to join with the Senator from New Mexico in the amendment he has offered. It is identical with the amendment I offered in committee. I am glad the distinguished Senator from New Mexico has offered the amendment.

Mr. JOHNSTON of South Carolina. Let me also inform the Senator from New Mexico on one point. He talked about eleemosynary corporations and religious and other organizations. That is a subject already taken care of in the bill. It is a matter which is already going to conference.

Mr. CHAVEZ. I understand that.

Mr. JOHNSTON of South Carolina. The amendment offered by the Senator from New Mexico does not affect consideration of such matters.

Mr. DOUGLAS. I suggest the absence of a quorum.

Mr. LANGER. Mr. President, as former chairman of the Senate Post Office and Civil Service Committee, the Senator from New Mexico is fully aware of the threat which a 50-percent increase in the bulk third-class rate poses to farmers, countless small business firms, and philanthropic organizations throughout the Nation.

No one in this body or elsewhere is certain that the cost analysis system of the Post Office Department is anywhere near accurate. On one hand, we have the opinion of the Postmaster General that he can double the revenue from third-class mail simply by doubling the rate. Nothing could be further from the truth. I think we are all familiar with the fact that shortly after the rate for money orders was raised we had to change and revise the law and go back to the old rate.

The postage bill of any mailer is often his largest cost item. Any undue increase in that particular cost puts upon him the requirement that he trim sail or go out of business. Even the committee has recognized the possibility of disaster striking third-class mail users by adopting an unprecedented graduated formula.

I agree with the senior Senator from New Mexico that we should hold off on the second 25-percent increase until the joint committee created under section 13 has had an opportunity fully to examine the rate-making machinery. If it then appears that an increase to 50 percent is warranted, the Congress can legislate. I urge my fellow Senators to vote for the amendment.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. DOUGLAS. Mr. President, I was on my feet and about to withdraw my suggestion of the absence of a quorum. May I be permitted to inquire whether the eminent chairman of the committee accepted the amendment of the Senator from New Mexico [Mr. CHAVEZ] to eliminate the second increase in third-class matter?

Mr. JOHNSTON of South Carolina. I agreed to accept the amendment, but the Senate has not voted on it yet.

Mr. DOUGLAS. I may say that I hope the amendment will be subject to the decision of the Senate, because as I understand, it will result in the giving up of \$17,000,000 of revenue.

Mr. JOHNSTON of South Carolina. It will result in giving up nothing the first year.

Mr. DOUGLAS. In the second year it will give up \$17,000,000, will it not?

Mr. JOHNSTON of South Carolina. Yes.

Mr. DOUGLAS. In view of the size of the Post Office deficit I think the decision on that point is a very serious one, and I hope it will not be carried out too quickly without some debate on the subject.

Mr. McFARLAND. Mr. President, will the Senator from North Dakota temporarily withhold his suggestion of the absence of a quorum?

Mr. LANGER. I withhold my suggestion, Mr. President.

Mr. McFARLAND. The senior Senator from South Carolina [Mr. MAYBANK] is in charge of a bill dealing with the Export-Import Bank, Senate bill 2006, Calendar 682. He thought the bill could be disposed of quickly, since, as he understood, there was no opposition to it. I wonder if we cannot secure unanimous consent to lay aside the unfinished business temporarily, and take up the Export-Import Bank bill and dispose of it now.

Mr. MAYBANK. Does the Senator mean that the Senate should take up the Export-Import Bank bill tomorrow?

Mr. McFARLAND. No, I suggest that the Senate dispose of it now; I thought the Senator desired to call it up now and pass it this afternoon.

Mr. MAYBANK. The bill provides for authorization to extend the credit of the Export-Import Bank. I have discussed it with the senior Senator from Kansas [Mr. SCHOEPPEL]. The bill was unanimously reported by the Committee on Banking and Currency. However, I would not expect the bill to be passed by the Senate today.

Mr. McFARLAND. I would not want to take it up today unless we can dispose of it today. I was under the impression the Senator from South Carolina desired action this evening.

Mr. MAYBANK. A billion dollars is involved in the bill. It will take an hour or two at least to consider it.

Mr. McFARLAND. Under the circumstances, I shall not ask to lay aside the unfinished business. We shall continue with the schedule as outlined previously.

Mr. CHAVEZ. Mr. President, is it the purpose of the majority leader to continue consideration of the unfinished business until we finally act on it?

Mr. McFARLAND. I am sorry to say to my friend from New Mexico that unfortunately that does not appear possible. I have told some Senators that we will recess by 7 o'clock. If we are now to have a quorum call we would not get through with that call in time to transact any business. Under those circumstances I think we may as well recess until tomorrow.

The PRESIDING OFFICER. Before the Senator from Arizona makes a mo-

tion, the Chair would suggest that action be taken on the pending amendment.

The question is on agreeing to the amendment offered by the Senator from New Mexico.

The amendment was agreed to.

Mr. JOHNSTON of South Carolina. Mr. President, the first amendment which I wish to call up tomorrow is the graduated-leave amendment. The saving caused by the graduated-leave amendment is more than that of the 20-day leave bill known as the Douglas amendment. I think probably we can dispose of it in a short while. We have already voted in the Senate unanimously on it once before. Senators know what it is. We have discussed it in the Senate previously.

The PRESIDING OFFICER. Without objection, the amendment will be printed in the RECORD without reading.

The amendment was, on page 13, after line 14, to insert "Title I."

On page 37, line 10, after the word "this", to strike out "Act" and insert "Title".

On page 37, line 13, after the word "This", to strike out "Act" and insert "Title".

On page 37, after line 17, to insert:

#### TITLE II

SEC. 201. This title may be cited as the "Annual and Sick Leave Act of 1951."

#### COVERAGE AND EXEMPTIONS

SEC. 202. (a) Except as provided in subsection (b), this title shall apply to all civilian officers and employees of the United States and of the government of the District of Columbia, including officers and employees of corporations wholly owned or controlled by the United States.

(b) (1) This title shall not apply to—

(A) teachers and librarians of the public schools of the District of Columbia;

(B) part-time officers and employees for whom there has not been established a regular tour of duty covering at least 5 days in any administrative workweek;

(C) temporary employees engaged on construction work at hourly rates;

(D) employees of the Canal Zone Government and the Panama Canal Company when employed on the Isthmus of Panama;

(E) commissioned officers of the Public Health Service;

(F) commissioned officers of the Coast and Geodetic Survey;

(G) doctors, dentists, and nurses in the Department of Medicine and Surgery of the Veterans' Administration; and

(H) officers and employees of the Senate and House of Representatives.

(2) This title, except section 203 (g), shall not apply to alien employees who occupy positions outside the several States and the District of Columbia.

(3) Section 204 of this title shall not apply to officers and members of Metropolitan Police and the Fire Department of the District of Columbia.

#### ANNUAL LEAVE

SEC. 203. (a) Officers and employees to whom this title applies shall be entitled to annual leave with pay which shall accrue at the rate of—

(1) one-half day for each full biweekly pay period in the case of officers and employees with less than 2 years of service,

(2) three-fourths day for each full biweekly pay period (except that the rates of accrual for the last full biweekly pay period in the calendar year shall be one and one-fourth days) in the case of officers and employees with 2 but less than 15 years of service, and



(3) one day for each full biweekly pay period in the case of officers and employees with 15 years or more of service.

In determining years of service for the purposes of this subsection, there shall be included all service creditable under the provisions of section 5 of the Civil Service Retirement Act of May 29, 1930, as amended, for the purposes of an annuity under such act and the determination of the period of service rendered may be made upon the basis of an affidavit of the employee. In the case of an officer or employee who is not paid on the basis of biweekly pay periods, the leave provided by this title shall accrue at the same rate as it would accrue if such officer or employee were paid on the basis of biweekly pay periods.

(b) Any change in the rate of accrual of leave by an officer or employee under the provisions of this subsection shall take effect as of the beginning of the pay period following the pay period, or corresponding period in the case of an officer or employee who is not paid on the basis of biweekly pay periods, in which such officer or employee completes the prescribed period of service.

(c) The leave provided for in this section, which is not used by an officer or employee, shall accumulate for use in succeeding years until it totals not to exceed 60 days at the end of the last complete biweekly pay period occurring in any calendar year.

(d) Notwithstanding the provisions of subsection (c), a maximum accumulation not to exceed 90 days at the end of the last complete biweekly pay period in any calendar year is authorized to the following categories of employees of the Federal Government, other than officers and employees in the Foreign Service of the United States under the Department of State, stationed outside the several States and the District of Columbia:

(1) Persons directly recruited or transferred from the United States by the Federal Government.

(2) Persons employed locally but (A) who were originally recruited from the United States and have been in substantially continuous employment by other Federal agencies, United States firms, interests, or organizations, international organizations in which the United States Government participates, or foreign governments, and whose conditions of employment provide for their return transportation to the United States, or (B) who were at the time of employment temporarily absent from the United States for purposes of travel or formal study and maintained residence in the United States during such temporary absence.

(3) Persons who are not normally residents of the area concerned and who are discharged from the military service of the United States to accept employment with an agency of the Federal Government.

(e) Where an officer or employee to whom the provisions of subsection (d) are applicable, or who is in the Foreign Service of the United States under the Department of State, and whose post of duty is outside the several States and the District of Columbia returns to any such State or the District of Columbia on leave, the leave granted pursuant to this act shall, under such rules and regulations as may be prescribed by the head of the department or agency, be exclusive of the time actually and necessarily occupied in going to and from his post of duty and such time as may be necessarily occupied in awaiting sailing or flight.

(f) Officers and employees in the Foreign Service of the United States under the Department of State may be granted leave of absence, without regard to any other leave provided by this title, for use in the United States, its Territories or possessions, at a rate equivalent to 1 week for each 4 months

of service outside the several States and the District of Columbia. Not more than one period of leave of absence under this subsection shall be authorized in any 24-month period. Such leave may be accumulated for future use without regard to the limitation in subsection (c) but no such leave which is not used shall be made the basis for any terminal leave or lump-sum payment.

(g) Alien employees who occupy positions outside the several States and the District of Columbia may, in the discretion of the head of the department or agency concerned, be granted leave of absence with pay not in excess of the amount allowable under this title in the case of citizen employees.

(h) The leave provided for in this section, including such leave as will accrue to any officer or employee during the calendar year, may be granted at any time during such calendar year as the heads of the various departments and independent establishments may prescribe.

(i) Notwithstanding the provisions of subsection (a), an officer or employee shall be entitled to annual leave under this title only after having been employed currently for a continuous period of 90 days under one or more appointments without break in service. In any case in which an officer or employee completes a period of continuous employment of 90 days there shall be credited to him an amount of leave equal to the amount which, but for this subsection, would have accrued to him under subsection (a) during such period.

#### SICK LEAVE

SEC. 204. (a) Officers and employees to whom this title applies shall be entitled to sick leave with pay, which shall accrue at the rate of one-half day for each full biweekly pay period.

(b) The leave provided for in this section, which is not used by an officer or employee during the year in which it accrues, shall accumulate and be available for use in succeeding years.

(c) Not to exceed 30 days' sick leave may be advanced in cases of serious disability or ailments and when required by the exigencies of the situation.

#### GENERAL PROVISIONS

SEC. 205. (a) The days of leave provided for in this title shall mean days upon which an employee would otherwise work and receive pay, and shall be exclusive of holidays, and all nonworkdays established by Federal statute or by Executive or administrative order.

(b) An employee shall be considered for the purposes of this title to have been employed for a full biweekly pay period if he shall have been employed during the days within such period, exclusive of holidays and all nonworkdays established by Federal statute or by Executive or administrative order, which fall within his basic administrative workweek.

(c) Part time officers and employees, unless otherwise excepted, shall be entitled on a pro rata basis to the benefits provided by sections 203 and 204 of this title.

(d) The authorized absence of a rural carrier on Saturdays which occur within or at the beginning or end of a period of sick or annual leave of five or more days' duration (or 4 days' duration if a holiday falls within or at the beginning or end of the period of sick or annual leave) shall be without charge to such leave or loss of compensation. Saturdays occurring in a period of annual or sick leave taken in a smaller number of days may at the option of the carrier be charged to his accrued leave and when so charged he shall be paid for such absence.

#### REGULATIONS

SEC. 206. The Civil Service Commission is authorized to prescribe such rules and regu-

lations as may be necessary to provide for the administration of this title.

#### REPEALS

SEC. 207. (a) The following acts or parts of acts are hereby repealed:

(1) The act entitled "An act to provide for vacations to Government employees, and for other purposes", approved March 14, 1936 (49 Stat. 1161).

(2) The act entitled "An act to standardize sick leave and extend it to all civilian employees," approved March 14, 1936 (49 Stat. 1162).

(3) Section 6 of the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the postal service; to establish uniform procedure for computing compensation; and for other purposes", approved July 6, 1945, as amended (59 Stat. 435).

(4) The paragraph under the heading "Public Printing and Binding" in the act entitled "An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1897, and for other purposes", approved June 11, 1896 (44 U. S. C. 45), relating to leaves of absence of employees of the Government Printing Office.

(5) The third proviso in the act of August 29, 1916 (34 U. S. C. 513).

(6) Sections 931 and 932 of the Foreign Service Act of 1946.

(7) The fifth paragraph of section 3 (c) of the act entitled "An act to consolidate the police court of the District of Columbia and the municipal court of the District of Columbia, to be known as 'The municipal court for the District of Columbia', to create 'The Municipal Court of Appeals for the District of Columbia', and for other purposes", approved April 1, 1942 (56 Stat. 192).

(8) Section 601 of the Independent Offices Appropriation Act, 1952.

(b) Section 2 of the act entitled "An act to provide for the promotion of substitute employees in the postal service, and for other purposes", approved April 15, 1947 (61 Stat. 40), is amended by striking out the words "and leave".

#### SAVING PROVISION

SEC. 208. (a) In any case in which—

(1) the amount of accumulated annual leave carried over into the calendar year 1952 by an officer or employee under provisions of law applicable to such officer or employee on December 31, 1951, is in excess of the amount allowable under the applicable provisions of section 203, or

(2) the amount of accumulated annual leave to the credit of an officer or employee who is subject to the provisions of section 203 (d) and who becomes subject to the provisions of section 203 (c) is in excess of the amount allowable under section 203 (c), such excess shall remain to the credit of such officer or employee until used, but the use during any calendar year of an amount of leave in excess of the aggregate amount which shall have accrued during such calendar year shall automatically reduce the maximum allowable accumulation at the end of the last complete biweekly pay period in any calendar year until the accumulation of such officer or employee no longer exceeds the amount prescribed in the applicable provisions of section 203.

(b) An officer or employee heretofore subject to a system of leave administered on a calendar-day basis shall be deemed to have his credit on the effective date of this title five-sevenths day of leave chargeable as provided in section 205 (a) for each calendar day's leave to his credit on such date.

(c) No officer or employee shall be considered, by reason of the enactment of this title to have been transferred to an agency under a different leave system within the meaning of the act entitled "An act to provide for the payment to certain Government



employees for accumulated or accrued annual leave upon their separation from government service", approved December 21, 1944 (5 U. S. C. 61d).

(d) Any person who served during the period from December 1, 1950, to January 6, 1952, as an employee in the postal service, other than a substitute rural carrier, under a temporary or indefinite appointment for not less than 90 days and who shall not have been separated from the postal service prior to January 6, 1952, shall be deemed to have earned annual leave at the rate of 15 days per year and sick leave at the rate of 10 days per year, and for such purposes shall receive credit for one-twelfth of a year for each whole calendar month he was carried on the roll as a temporary or indefinite employee during such period.

#### EFFECTIVE DATE

SEC. 209. This title shall take effect on January 6, 1952, except that paragraph (8) of section 207 (a) shall take effect as of the date of enactment of the Independent Offices Appropriation Act, 1952.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. JOHNSTON].

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. CARLSON. Do I correctly understand that the Senator from South Carolina is offering the amendment on the question of graduated leave for Federal employees and postal employees which the Senate previously adopted?

Mr. JOHNSTON of South Carolina. It is the same amendment which passed the Senate and is now in the House awaiting appointment of conferees. This amendment would place in effect the graduated leave system for postal workers and other Federal employees.

Mr. CARLSON. I sincerely hope that the amendment will be approved by the Senate.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. HUMPHREY. Does the amendment which the Senator is offering place the postal employees in a status of equality so far as sick leave is concerned?

Mr. JOHNSTON of South Carolina. Yes.

Mr. HUMPHREY. Is this the 13 to 26 day graduated leave?

Mr. JOHNSTON of South Carolina. Yes. It is the amendment to which the Senate has already agreed.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON of South Carolina. I yield.

Mr. DOUGLAS. Do I correctly understand that this amendment eliminates the retroactive feature which was added in committee to the so-called Douglas amendment?

Mr. JOHNSTON of South Carolina. It does.

Mr. DOUGLAS. I think that is desirable, because it was never my intention to make the provision retroactive.

Mr. JOHNSTON of South Carolina. It is my intention to secure approval of the provision just as it was previously passed by the Senate.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. LEHMAN. As I understand this amendment provides for graduated leave of 13, 20, and 26 days, depending upon length of service.

Mr. JOHNSTON of South Carolina. The Senator is correct.

Mr. LEHMAN. I am very glad indeed that the Senator has offered the amendment. I shall strongly support it. I think it is only an act of justice.

Mr. JOHNSTON of South Carolina. There was practically unanimity when we were discussing the question. I think that this is the best way to be sure the system will be considered in conference before the end of the session.

Mr. BENTON. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. BENTON. Is this the proposal with respect to which the House has not yet appointed conferees?

Mr. JOHNSTON of South Carolina. That is true.

Mr. BENTON. As I understand, it is to be applied to all Federal employees, as a substitute for the amendment sponsored by the Senator from Illinois [Mr. DOUGLAS].

Mr. JOHNSTON of South Carolina. That is true. This will repeal the Douglas rider.

Mr. BENTON. It is high time that we did this for the postal workers. I congratulate the chairman and the committee.

Mr. LANGER. Mr. President, I want the RECORD to show that I very strongly support the proposal of the Senator from South Carolina. I think it is absolutely right.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. KILGORE. As I understand, this amendment does not affect the Armed Forces.

Mr. JOHNSTON of South Carolina. No; it does not.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. SCHOEPPEL. I ask the distinguished chairman of the committee when this amendment would become effective if it were approved.

Mr. JOHNSTON of South Carolina. In January 1952. That is about as early as the bill can go into effect and be workable administratively.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. JOHNSTON].

The amendment was agreed to.

Mr. JOHNSTON of South Carolina. Mr. President, are there any further amendments on the desk? Perhaps we can dispose of the bill tonight.

Mr. LANGER. I have some amendments at the desk.

Mr. McFARLAND. As I understand, the Senator from North Dakota [Mr. LANGER] wanted a quorum present before offering his amendments. As I previously stated, we would not get through in time to dispose of his amendment if we were to have a quorum call.

I should like to make an announcement with respect to the legislative program. It was our expectation that we would not only finish the pending bill today, but also dispose of the postal pay increase bill, Senate bill 355, as well as the classified pay bill, Senate bill 622. We have not made as much progress as I had hoped we would. I hope that we can complete action on the pending bill tomorrow, and at least dispose of the other two bills. If we do not finish these bills tomorrow, I do not know when we shall be able to take them up again. We are working on a tight schedule and it should be understood that when the opportunity affords between national defense bills, we must use it advantageously to act on other bills such as those scheduled for today. If Senators want pay bills acted upon, we must use every moment available. I hope that we shall dispose of these bills tomorrow and perhaps be able to take up the air mail subsidy separation bill, Senate bill 436.

Mr. HENDRICKSON. Mr. President, the junior Senator from New Jersey merely wishes to associate himself with the motion of the senior Senator from North Dakota [Mr. LANGER] to reconsider the vote by which the Russell amendment was agreed to. The junior Senator from New Jersey had intended to make such a motion, had not the motion been made by the senior Senator from North Dakota.

Mr. McFARLAND. Mr. President, I merely want to suggest that if we keep whittling away at this bill, cutting down the revenue it will bring, and raising the cost of administration so that its benefits are wiped out there may be a good deal of opposition to the passage of the postal pay increase bill. We cannot continue to increase the cost of administering the post office service and at the same time also increase salaries. Such a policy defeats the idea of making the new revenues help meet the increased wage rates, and will lead to opposition to the postal pay increase bill.

#### THREAT OF NEW RED OFFENSIVE IN KOREA

Mr. SCHOEPPEL. Mr. President, yesterday's edition of the Times-Herald quotes a story, date-lined Tokyo, September 5, telling of the threat of a new Red offensive, backed by a thousand planes and thousands of European Communist troops. General Ridgway's headquarters states:

The Red reserve strength includes large numbers of Caucasian volunteers from European satellite nations, including Eastern Germany. They were equipped with tanks, artillery, and armored cars. These Caucasians have been coming into Korea at the rate of 3,000 a day for the last 2 months, according to one report, indicating a total of 180,000.







A telegram in the nature of a memorial from the third inter-America convention of the Lung Kong Tin Yee Association, San Francisco, remonstrating against the exclusion of the Republic of China from the Japanese Peace Conference; to the Committee on Foreign Relations.

A resolution adopted by the ninety-third convention of the International Typographical Union, at Atlanta, Ga., favoring the enactment of House Joint Resolution 70, to reimburse uncompensated leave to Government Printing Office employees earned during the fiscal year 1932; to the Committee on Rules and Administration.

A resolution adopted by sugar workers' representatives certified by the National Labor Relations Board, Regional 24, Puerto Rico, at Ensenada-Guanica, P. R., relating to the sugar industry in Ensenada-Guanica, P. R.; to the Committee on Finance.

A letter in the nature of a petition from the Jupiter Patriotic Association of America, Inc., Chicago, Ill., signed by Robert Lee Jones, vice president and director, relating to a hearing before the Committee on the Judiciary of the Senate on its petition for redress of grievances (with accompanying papers); to the Committee on the Judiciary.

#### BILLS INTRODUCED

Bills were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. SMATHERS:

S. 2100. A bill for the relief of Robert Joseph Vetter; to the Committee on the Judiciary.

By Mr. IVES:

S. 2101. A bill for the relief of Dr. Peter C. T. Kao; to the Committee on the Judiciary.

By Mr. AIKEN:

S. 2102. A bill for the relief of Alcide Orazio Marselli and Angelo Bardelli; to the Committee on the Judiciary.

By Mr. CAIN:

S. 2103. A bill for the relief of Heinz Rudolf Hink; to the Committee on the Judiciary.

By Mr. MAYBANK:

S. 2104. A bill to repeal section 104 of the Defense Production Act of 1950, as amended; to the Committee on Banking and Currency.

(See the remarks of Mr. MAYBANK when he introduced the above bill, which appear under a separate heading.)

#### REPEAL OF SECTION 104 OF DEFENSE PRODUCTION ACT OF 1950

Mr. MAYBANK. Mr. President, I introduce for appropriate reference a bill for the purpose of having before the Committee on Banking and Currency a concrete proposal on import control legislation, which will repeal the special import control provisions inserted in the Defense Production Act amendments of 1951 by noncommittee amendments offered on the floor of the Senate and the House of Representatives.

I want it understood that repeal of these particular provisions would not deprive the executive department of power to control imports. It has such power under section 101 of title I of the 1950 Defense Production Act, as well as under section 22 of the Agricultural Adjustment Act, as amended.

Section 104 of the Defense Production Act of 1950, which this bill proposes to repeal, has been strongly criticized by the Secretary of State as harmful to our national policy. No testimony was presented to our committee on this matter

during hearings on extension of the Defense Production Act.

In order that the committee may properly examine the situation, I am introducing this bill as a basis for consideration of the problem by the committee, and as relating to the matter in question. I ask unanimous consent that a letter of the Secretary of State, together with a copy of Senate bill 1665, and a report of the Secretary of Agriculture thereon, be printed in the RECORD as a part of my remarks.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the matters referred to by the Senator from South Carolina will be printed in the RECORD.

The bill (S. 2104) to repeal section 104 of the Defense Production Act of 1950, as amended, introduced by Mr. MAYBANK, was read twice by its title and referred to the Committee on Banking and Currency.

The letter, bill, and report were ordered to be printed in the RECORD, as follows:

JULY 27, 1951.

Hon. BURNET R. MAYBANK,

*United States Senate.*

MY DEAR SENATOR MAYBANK: I wish to express to you my deep concern regarding the so-called fats-and-oils amendment to the Defense Production Act which both Houses of Congress have adopted and which is now under consideration in your conference committee. This provision, if enacted into law, will needlessly cut off overseas markets for American agricultural products and will handicap our efforts to develop the defensive strength of the free world.

As you know, the amendment would direct the Secretary of Agriculture to restrict the imports of a variety of fats and oils and dairy products to the extent necessary (1) to avoid reduction of domestic production below present levels or below any higher production goals which might have been set or (2) to avoid interference with orderly marketing or storing of a commodity or (3) to avoid any unnecessary burden or expenditure under any price-support program.

It is difficult, of course, to be able to say exactly how extensive the restrictions will be which the Secretary of Agriculture will be compelled to apply under these provisions; final determinations on this score could probably be made only after careful study. Nevertheless, it is already clear that a good many products which the American public now obtains from abroad will be threatened with new restrictions or outright embargo. The consequences of these restrictions on American agriculture are easy to foresee. Many of our agricultural products, such as apples, citrus fruits, cotton, and tobacco, depend heavily on overseas markets. The obvious step for other countries to take in meeting the United States threat to restrict their products is to impose counter restrictions in retaliation. We can reasonably anticipate that such counter restrictions will in fact be imposed and that, on balance, American agriculture will suffer from the provision.

The adverse effects of this provision, however, will extend well beyond American agriculture. In our efforts to raise the economic and military strength of the free world we have persistently sought to encourage the greatest possible interchange of goods among friendly nations. Major results have been achieved. Under the General Agreement on Tariffs and Trade, tariffs have been substantially reduced throughout the free world. Likewise, import restrictions imposed for balance-of-payments reasons have begun to

show signs of relaxation. Canada has eliminated such restrictions while many other countries have substantially relaxed them. We have been particularly successful in achieving a sweeping relaxation of trade barriers affecting intra-European trade.

This progress has been achieved in good part because of the position of moral leadership which we were able to assume. Few countries have questioned our good faith when we argued that we believed in international competition and were prepared to set an example with our own domestic policies. If the fats and oils provision is enacted into law, this showing of good faith now can and certainly will be challenged. Our ability to encourage close economic relations within the free world is bound to be seriously impaired.

The proposed provision will have other and more immediate effects on our defense efforts. A number of countries place heavy reliance on their exports to the United States to earn the dollars by which they can purchase materials necessary for their rearmament and the maintenance of a tolerable living standard. Any substantial decline in their exports here will force them either to curtail their military efforts or to request additional aid in the United States. For some countries, the products listed in the proposed provision are exported in substantial volume to this country. Nine countries have already expressed concern to this Government on that score.

In conclusion, I would like to draw your attention to the opinion recently expressed to you by the Department of Agriculture that no further authority to control imports is needed in view of authority already contained in existing legislation. Section 101 of the Defense Production Act authorizes import restrictions necessary in the interests of national defense. Imports of flaxseed and rice have already been prohibited under this authority. In addition, under section 22 of the Agricultural Adjustment Act, as amended, there are authority and an established procedure for limitation of imports of any product on which there is an agricultural program (including price support) whenever it is found that imports are or are practically certain to interfere materially with such a program. A new procedure was recently added by the Trade Agreements Extension Act of 1951 to assure quick action under section 22 in emergency conditions affecting perishable agricultural products.

For the reasons expressed above, I am convinced that the enactment of the proposed fats and oils amendment is unnecessary and would be positively harmful to the interests of the United States.

Sincerely yours,

DEAN ACHESON.

S. 1665

A bill to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils (including butter), cheese, and rice and rice products

*Be it enacted, etc.,* That, notwithstanding any other provision of law, title III of the Second War Powers Act, 1942, as amended, and the amendments to existing law made by such title shall continue in effect until July 1, 1953, for the purpose of authorizing and exercising, administering, and enforcing of import controls with respect to fats and oils (including oil-bearing materials, fatty acids, butter, soap and soap powder, but excluding petroleum and petroleum products and coconuts and coconut products) and rice and rice products, and foreign-made cheese, upon a determination by the President that such controls are (a) essential to the acquisition or distribution of products in world short supply or (b)



essential to the orderly liquidation of temporary surpluses of stocks owned or controlled by the Government.

JUNE 29, 1951.

HON. BURNET R. MAYBANK,  
*Chairman, Committee on Banking and  
Currency, United States Senate.*

DEAR SENATOR: This is in reply to your request of June 15, 1951, for a report on S. 1665, a bill "to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils (including butter), cheese, and rice and rice products." This bill would authorize import control of fats and oils (including oil-bearing materials, fatty acids, butter, soap and soap powder, but excluding petroleum and petroleum products and coconuts and coconut products) and rice and rice products, and foreign-made cheese, upon a determination by the President that such controls are (a) essential to the acquisition or distribution of products in world short supply or (b) essential to the orderly liquidation of temporary surpluses of stocks owned or controlled by the Government.

The proposed bill would have the effect of extending for an additional 2 years authority to control imports similar to that now contained in Public Law 590, Eighty-first Congress, which expires on July 1, 1951. The major difference is that S. 1665 adds cheese as an additional commodity.

S. 1665, like Public Law 590, would be only one of the several authorities available to control imports of agricultural commodities. In order to properly evaluate the need for extending the provisions of Public Law 590 for an additional 2 years, therefore, it is necessary to consider the provisions of Public Law 590 and S. 1665 in relationship to the other major import-control authorities. These other major import-control authorities are as follows:

1. Defense Production Act of 1950: Under title I of this act import controls may be imposed on any commodity when necessary or appropriate in the promotion of the national defense. While this law expires on June 30, 1951, provision has been made for its extension in bills now before your committee.

2. Section 22 of the Agricultural Adjustment Act, as amended: This act authorizes certain restrictions on imports of agricultural commodities, when the President finds, after an investigation by the Tariff Commission, that articles are being or are practically certain to be imported under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere, with any price support or other program undertaken by the Department.

Under the recent amendments to section 22 made by Public Law 50, Eighty-second Congress, two major changes were made. These were:

1. Authority was granted to restrict imports which interfered, or threatened to interfere, materially, with any program of the Department notwithstanding the provisions of trade agreements or other international agreement heretofore or hereafter entered into by the United States.

2. Provision was made for emergency treatment for perishable commodities where desirable or necessary.

It should be noted that the authority contained in the Defense Production Act as well as that contained in Public Law 590 and proposed in S. 1665 is of a temporary nature to take care of an unusual temporary situation. It does not alter fundamental policy with respect to international trade and it does not offer a long-range solution to the general problem growing out of imports of agricultural commodities for which price support and other agricultural programs are in

operation in the United States. On the other hand, section 22 is of a more long-range nature and is meant to deal with the long-range solution of this type of problem.

The criteria contained in S. 1665 for the application of import controls are covered by the general exceptions contained in part II of article XX of the General Agreement on Tariffs and Trade. It should be pointed out that these general exceptions to the international obligations of the parties to the agreement at present are applicable only until January 1, 1952.

My views on the question of international trade in agricultural commodities and on restrictions thereon were presented clearly to your committee in my report on the legislation which led to the enactment of Public Law 590 in the Eighty-first Congress.

S. 1665 would duplicate largely authority now contained in the Defense Production Act and section 22. That portion of the bill which would permit import controls on commodities when the President determines that such controls are essential to the acquisition or distribution of products in world short supply overlaps the authority to control imports in the national defense now contained in the Defense Production Act. On the other hand, the remaining portion of the bill which authorizes import controls when essential to the orderly liquidation of temporary surpluses of stocks owned or controlled by the Government duplicates the authority contained in section 22 of the Agricultural Adjustment Act, as amended, to the extent that imports would interfere with price support or other programs of the Department.

Under S. 1665 import controls on the commodities named can be imposed only when the President makes determinations of the two types specified in the proposed bill. If it is possible to make either of these determinations under S. 1665, then in almost all instances a strong case would exist to control imports of the same commodities under the Defense Production Act or section 22 of the Agricultural Adjustment Act, as amended.

In view of the foregoing, this Department believes the additional authority provided by S. 1665 is not necessary.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

CHARLES F. BRANNAN,  
*Secretary.*

#### ADDITIONAL PERSONNEL FOR COMMITTEE ON ARMED SERVICES

Mr. RUSSELL submitted the following resolution (S. Res. 202), which was referred to the Committee on Rules and Administration:

*Resolved*, That the Committee on Armed Services is authorized, until December 31, 1952, to employ one additional clerical assistant to be paid from the contingent fund of the Senate at the rate of compensation to be fixed by the chairman in accordance with section 202 (e) of the Legislative Reorganization Act of 1946, and the provisions of Public Law 4, Eightieth Congress, approved February 19, 1947.

#### SEPARATION OF SUBSIDY FROM AIR-MAIL PAY—PRINTING OF S. 436, SHOWING CERTAIN AMENDMENTS

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent that the bill (S. 436) to provide for the separation of subsidy from air-mail pay, and for other purposes, be printed showing certain amendments intended to be proposed by me.

The VICE PRESIDENT. Is there objection to the request of the Senator

from Colorado? The Chair hears none, and it is so ordered.

#### PRINTING OF SUMMARY AND EXPLANATION OF THE DEFENSE HOUSING AND COMMUNITY FACILITIES AND SERVICES ACT OF 1951 (S. DOC NO. 70)

Mr. MAYBANK. Mr. President, I send to the desk a copy of a summary and explanation of the Defense Housing and Community Facilities and Services Act of 1951 (S. 349), Public Law No. 139. I ask that it may be printed as a Senate document. There have been a number of requests for an explanation of the bill, some of which have come from the offices of Senators, and it will be helpful to have the material printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. McMAHON:

Letter addressed by Senator BENTON to the editor of the New Haven (Conn.) Register, published in the Register under the headline "Senator BENTON defends support of steel mill," discussing the proposed erection of a steel mill in New England.

By Mr. ECTON:

Address delivered by Gen. Douglas MacArthur in Cleveland, Ohio, September 6, 1951.

By Mr. BYRD:

Editorial entitled "Senator O'CONOR Points Out Some Economic Fundamentals," from the Baltimore Sun of August 14, 1951.

By Mr. KILGORE:

Editorials from the New York Times and the Washington Post regarding the National Science Foundation.

By Mr. PASTORE:

Open letter dated August 29, 1951, addressed to Ambassador Harriman by Il Progresso Italo-Americano, relating to his visit to Yugoslavia.

By Mr. MOODY:

Article entitled "Still Fighting the Last War?" written by Thomas L. Stokes, and published in the Washington Star, commenting on the Benton amendment to the mutual security bill.

By Mr. HUMPHREY (on behalf of Mr. MURRAY and himself):

Editorial entitled "A Plan for Railroad Peace," published in the New York Times of September 5, 1951.

#### READJUSTMENT OF POSTAL RATES

The Senate resumed the consideration of the bill (S. 1046) to readjust postal rates.

The VICE PRESIDENT. The committee amendment, which is a substitute, is open to further amendment.

Mr. LANGER. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Hendrickson	McFarland
Carlson	Holland	Murray
Case	Hunt	Pastore
Dirksen	Johnston, S. C.	Underwood
Gillette	Langer	Welker
Hayden	Lehman	

Mr. McFARLAND. I announce that the Senator from New Mexico [Mr.



ANDERSON] is absent by leave of the Senate.

The Senator from Mississippi [Mr. EASTLAND] is absent because of illness.

The Senator from Rhode Island [Mr. GREEN] is absent on official business.

The Senator from Washington [Mr. MAGNUSON], the Senator from Nevada [Mr. McCARRAN], and the Senator from Alabama [Mr. SPARKMAN] are absent by leave of the Senate on official business, attending the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Oklahoma [Mr. MONRONEY] is necessarily absent.

The Senator from North Carolina [Mr. SMITH] is absent by leave of the Senate, attending the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

Mr. HENDRICKSON. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Maryland [Mr. BUTLER], the Senator from Missouri [Mr. KEM], and the Senator from Minnesota [Mr. THYE] are absent on official business.

The Senator from Ohio [Mr. BRICKER], the Senator from Vermont [Mr. FLANDERS], the Senator from California [Mr. NIXON], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Utah [Mr. WATKINS], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Wisconsin [Mr. WILEY] are absent on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Michigan [Mr. FERGUSON] is absent by leave of the Senate to attend the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from California [Mr. KNOWLAND], and the Senator from New Jersey [Mr. SMITH] are absent by leave of the Senate on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Massachusetts [Mr. LODGE] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The VICE PRESIDENT. A quorum is not present. The Secretary will call the names of absent Senators.

The Chief Clerk called the names of absent Senators, and Mr. CAPEHART, Mr. IVES, and Mr. NEELY answered to their names when called.

Mr. JOHNSTON of South Carolina. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms will execute the order of the Senate.

After a little delay Mr. RUSSELL, Mr. STENNIS, Mr. BENNETT, Mr. MARTIN, Mr. DWORSHAK, Mr. MAYBANK, Mr. HILL, Mr. ELLENDER, Mr. McKELLAR, Mr. ROBERTSON, and Mr. CORDON entered the Chamber and answered to their names.

Mr. McKELLAR. Mr. President, we were all in committee.

After a little further delay, Mr. KILGORE, Mr. CHAVEZ, Mr. YOUNG, Mr. ECTON, Mr. O'MAHONEY, Mr. GEORGE, Mr. CAIN, Mr. CONNALLY, Mr. WILLIAMS, Mr. FREAR, Mr. BENTON, Mr. HOEY, Mr. JOHNSON of Texas, Mr. DOUGLAS, Mr. MOODY, Mr. MCCARTHY, Mr. TAFT, and Mr. KEFAUVER entered the Chamber and answered to their names.

Mr. BUTLER of Nebraska, Mr. BYRD, Mr. CLEMENTS, Mr. DUFF, Mr. FULBRIGHT, Mr. HENNINGS, Mr. HUMPHREY, Mr. JENNER, Mr. JOHNSON of Colorado, Mr. KERR, Mr. LONG, Mr. MALONE, Mr. McCLELLAN, Mr. McMAHON, Mr. MILLIKIN, Mr. MUNDT, Mr. NIXON, Mr. O'CONOR, Mr. SCHOEPPLE, Mr. SMATHERS, and Mrs. SMITH of Maine also entered the Chamber and answered to their names.

The VICE PRESIDENT. A quorum is present.

#### COMMITTEE MEETING DURING SENATE SESSION

Mr. McKELLAR. Mr. President, I ask unanimous consent that the Committee on Appropriations be authorized to meet this afternoon during the session of the Senate. We have been meeting all morning, which accounts for the absence of the members of the committee from the Senate Chamber preceding the quorum call.

The VICE PRESIDENT. Without objection, it is so ordered.

#### READJUSTMENT OF POSTAL RATES

The Senate resumed the consideration of the bill (S. 1046) to readjust postal rates.

Mr. LANGER. Mr. President, I move that the Senate now proceed to consider the motion to reconsider the vote by which the amendment proposed by the Senator from Georgia [Mr. RUSSELL] to the committee amendment on page 30, striking out section 12 of the bill, was agreed to.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from North Dakota that the Senate proceed to consider his motion to reconsider the vote by which the amendment referred to was agreed to.

Mr. McFARLAND rose.

Mr. LANGER. I yield to the Senator from Arizona.

Mr. McFARLAND. I do not desire the Senator to yield. I thought the Senator intended to address the Senate, and I wanted to get the Senator from Georgia [Mr. RUSSELL] on the floor.

Mr. GEORGE. The Senator from Georgia just stepped out of the Chamber.

Mr. CHAVEZ. Mr. President, I wonder whether the Senator from North Dakota will yield to me for the purpose of making a short statement until the Senator from Georgia returns to the Senate floor.

Mr. LANGER. Mr. President, I ask unanimous consent that I may yield to the Senator from New Mexico for that purpose, provided I do not thereby lose the floor.

The VICE PRESIDENT. Is there objection? The Chair hears none. By unanimous consent, the Senator from

North Dakota may yield for that purpose.

#### THE STEEL SHORTAGE—STEEL FOR BRITAIN

Mr. CHAVEZ. Mr. President, this morning I obtained a copy of today's Washington Post, which contains an Associated Press dispatch headlined as follows: "Gaitskell gets steel pledge from Wilson."

The article reads:

Britain's Chancellor of the Exchequer, Hugh Gaitskell, obtained a qualified promise yesterday of between two and three million tons of American steel in the next year.

A spokesman for Mobilization Director Charles E. Wilson reported Wilson had agreed to earmark the steel for British use and make deliveries if the over-all economic situation permitted.

Gaitskell told Wilson the steel was badly needed in Britain's rearmament program. In exchange, Gaitskell offered to boost the British coal output sufficiently to provide substantial exports to Germany and thus expand German industrial production.

I ask unanimous consent that the remainder of the article be printed in the RECORD at this point in my remarks.

There being no objection, the remainder of the article was ordered to be printed in the RECORD, as follows:

#### PRICE RISE CRITICAL

Gaitskell said Britain had run into serious financial difficulties because of rising import costs, but was not asking at this time for new direct American aid.

During his meeting with Wilson he discussed the world shortage of wool and tin and what contributions Britain and the United States could make to a sharing of the scarce materials.

In a meeting with Commerce Secretary Sawyer, he also made plain his country would welcome a chance to buy more scarce steel from the United States, for both arms and civilian production.

The 42-year-old Chancellor of the Exchequer, who arrived Wednesday, has a meeting also with Secretary of the Treasury Snyder.

[It appeared the question of waiving the \$75,000,000 interest payment on the British loan, for which United States officials had braced themselves, might not arise in this series of meetings. On arriving in New York on Wednesday, Gaitskell had said the British Cabinet had not decided on that question, that provision had been made in the current British budget for the payment of both interest and the instalment on the principal and that his personal predilections were for the payment of debts.]

[The implication was strong Britain would pay if she possibly could, for political reasons, though economic difficulties give her the right to waive under the agreement.—EDITOR'S NOTE.]

Gaitskell had a 30-minute meeting with Snyder and arranged another for tomorrow.

#### PRICE STABILIZATION

A major purpose of Gaitskell's visit, diplomats said, is to press for more effective international efforts to curb rising prices which are estimated to have added a billion pounds (\$2,800,000,000) this year to the cost of the goods Britain buys from the rest of the world, about equal to the burden of the country's rearmament program. Officials said Gaitskell and other British representatives took the position that price stabilization was more important than any further aid from the United States.

Because of Great Britain's strides toward economic recovery, Marshall plan aid was cut off last year. British officials said the



Attlee government had no plan now to ask for its resumption.

Mr. CHAVEZ. Mr. President, the Subcommittee on Roads of the Committee on Public Works, which has jurisdiction of matters pertaining to American roads and the construction of roads, has been conducting hearings on proposed legislation pertaining to roads within the United States and its possessions. The subcommittee is headed by the Senator from Florida [Mr. HOLLAND]. Only this morning the committee investigated the question of the supply of steel for American construction, and I wish to thank the good Senator from North Dakota for permitting me 2 or 3 minutes more while I make a short statement with reference to that subject matter.

I venture to say that every Senator has received letters, telegrams, telephone calls, and delegations in person from his State in recent weeks with respect to steel.

I hazard a guess the volume of such correspondence and contact will swing sharply upward in the next few months.

I am extremely distressed to learn that Britain's Chancellor of the Exchequer, Hugh Gaitskell, only yesterday afternoon obtained a promise from Mobilization Director Charles E. Wilson of between two and three million tons of American steel in 1952. I am advised that Mr. Wilson promised this steel for British use with only the vague qualification that it would not be delivered if the over-all economic situation here would not permit.

Mr. President, the Mobilization Director knew yesterday and he knows today that our economic situation in the case of steel will not permit such a delivery. The Senate Committee on Public Works yesterday began an inquiry to learn why steel could not be obtained in sufficient quantity to maintain our highway program and system. All of us have learned from our State highway departments of the shortages of steel for not only bridges but for shapes. The Senators also know that our hospital and school construction programs are in very bad shape because of the steel picture.

The United States Office of Education has some 1,500 applications for school construction on hand and expects another thousand. The Office has been able to approve only about a dozen of the new projects and has been unable to obtain steel to continue 400 already started in construction.

The National Production Authority cut in half the steel allocations for the State highway programs. We were told yesterday morning by Manly Fleischmann, the Administrator of the National Production Authority, that the demands for steel are twice the current production. He told us of the demands for the military, for basic chemical plants, for the atomic energy program, and others; and he began to take on a convincing tone. Mr. Fleischmann seemed to regard roads as less important than other things, but admitted it was a matter of judgment. The committee is trying to learn why there was a substantially heavier percentage cut in the allocation for roads than in other forms of transportation, such as railroads and aviation.

Mr. Fleischmann told the Public Works Committee that he would not be able to be as generous in 1952 as he had been in 1951. Mr. Fleischmann does look for some improvement late in 1952 because he thinks some of the defense plants will have been built by then. Then he went on to say:

There will still be a scramble, but the scramble will be among the public works people, the highways, the hospitals, that have had to be deferred.

Mr. Fleischmann's answer, in his own words, to any question by a legal claimant for steel who is appealing for more steel is—

Which program do I take it away from? Where do I get it?

I should like to know where Mr. Wilson and Mr. Fleischmann think they are going to get the 3,000,000 tons for shipment to Great Britain in 1952. I think the Senators would like to know what programs he is going to take it away from to get those 3,000,000 tons. Will he take it away from American schools, American hospitals, American roads, or the American doughboy?

I suppose it is a part of human nature that a man is always more strict with his family than he is with his friends.

If we take Mr. Fleischmann's figures that structural steel demands are 223 percent of supply, I do not know how he is going to find 3,000,000 tons for England any time soon. The 3,000,000 tons he is speaking of are exactly 1,000,000 tons more than the 2,000,000 tons necessary to maintain our highway program as it is going this year. The 3,000,000 tons promised to England doubtless would maintain our schools and highways next year at a very nice level.

Mr. Fleischmann's own statements show that he regards claims on steel as a matter of judgment for adjudication. The British Chancellor of the Exchequer was more convincing at one luncheon meeting with Mr. Wilson and Mr. Fleischmann than the Senators and the American people have been in several months. Mr. Gaitskell came here with a story and sold it. Using that matter of judgment, the National Production Authority has decided that, in their judgment, Britain's needs are greater than ours and paramount to those of the American States and people. I do not like it, Mr. President, and I want the Senate to realize what is taking place.

Mr. President, one more brief moment. Since I prepared the statement I have just read, I have received additional information. It is my understanding this morning from associates of Mr. Fleischmann that he did not promise any definite amount to Britain. I hope he did not, but I have learned that the Associated Press report, as contained in the Washington Post this morning, and in the press of the entire country, is generally accurate. It is possible that Mr. Wilson, himself, made the promise. If so, and he did it with a knowledge of the steel situation, then the facts are no different than I have just presented them to the Senate. Certainly there was encouragement given to Mr. Gaitskell. What should have been told him

was an emphatic no. He should be given the same pitiful and negative story which the NPA is giving to United States Senators and to the other people of the United States, as well as to our schools, our hospitals, and those in charge of the programs for the building of our roads. If any encouragement at all was given to Britain, then something is wrong here.

Mr. President, I ask unanimous consent to have printed in the RECORD, following my remarks, an article entitled "Steel, Copper Crisis Blocks \$30,000,000 Area Schools," which was published in this morning's Washington Post.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### STEEL, COPPER CRISIS BLOCKS \$30,000,000 AREA SCHOOLS

Construction of about \$30,000,000 worth of new public schools in the Washington area—some 56 new buildings or additions—is threatened with indefinite delay because of the steel and copper shortage.

Nationally, the United States Office of Education, charged with doling out the limited supply of scarce building materials, has some 1,500 applications on hand but no steel or copper. Another 1,000 applications are expected during the school year.

The result is that both in the Washington area and all over the Nation school boards, with money in the bank, won't be able to get construction started this year—and probably in many cases not until late next year.

#### MONTGOMERY HARDEST HIT

About 1,500 school projects were approved by the Office of Education for materials in the October-December quarter, but they were projects already under way. Only about a dozen of the 1,100 applications for new buildings have been approved—and around 400 of the already started category have yet to obtain priorities to continue. As of now, all fourth-quarter steel and copper has been allocated.

In the Washington area, Montgomery County, Md., will be hardest hit. It has 25 school jobs costing several millions under way and \$5,500,000 available to begin 36 more. Permits have been granted for only six of the 36.

Prince Georges County has \$3,000,000 available to finish five school jobs and begin three others. Bids have just been opened, for example, on an elementary school addition. The bids were within the estimates but the contract can't be awarded because the Office of Education hasn't granted a permit.

#### FIVE MILLION SIX HUNDRED AND EIGHTY THOUSAND DOLLARS AVAILABLE HERE

In the District, \$5,680,000 is available for 13 projects. Permits have been asked for five so far.

Fairfax County, Va., has \$12,000,000 available with four projects under way and applications for nine others due to be sent the Office of Education today or Monday.

Arlington County has approximately \$4,400,000 available for new school construction, with one project already under way. Seven additional projects, all but one providing for new schools, are to be financed with the remaining funds, approved in public referendum last fall.

Alexandria, Va., wants to build a 30-room \$1,000,000 elementary school, now on the drawing boards.

Falls Church, Va., has \$900,000 worth of construction already under way with no new buildings to be started.

The facts in the steel-copper shortage are these:

Defense Production Administration, in setting up the controlled materials plan for steel, copper, and aluminum—the three key



defense materials—delegated to the Office of Education the job of dividing up applications from schools, colleges, and libraries—public, private, and parochial.

For the fourth quarter of 1951, Education asked for 196,508 tons of steel, was granted 104,300 or hardly more than half. This included 10,000 tons added after a protest at the first figure.

DPA granted 43,600 tons of structural steel in this total, 40 percent of the request.

As to copper, vital for electric wiring though rapidly being supplanted by downspouts, gutters, and even water pipes, DPA granted 2,881,000 pounds against 5,446,000 asked. Aluminum asked was only 25,000 pounds with 15,000 granted.

These figures do not include the secondary uses to which steel, for example, is put—desks, cafeteria equipment, windows. They are still on the free market and may be obtained if the contractor has a priority for the key items necessary to the building shell itself.

DPA will give Education a new allotment for the first quarter of 1952 but Education officials are fearful it may all have to go to finish jobs under way rather than to begin any new ones. DPA officials expect the shortage to get worse next year, certainly in the first half.

If first and second quarter 1952 allotments to Education are less than the fourth quarter 1951, then only a handful of the 2,500 schools for which permits are expected to be asked will actually get under way during the current school year.

The result will be that hundreds of thousands of school children all over America will have to double shift when school opens in the fall of 1952—instead of marching into spanking new buildings for which school boards, parent-teacher groups, and others fought and struggled to raise the money now on hand.

Fairfax County, for example, would have to put all pupils up to the seventh grade on double shifts if the new buildings are not available.

Education Office officials estimate that 30,000 new classrooms—about 3,000 schools—are needed this school year just to keep up with the rising population among youngsters. This doesn't count the 18,000 rooms a year normal replacement and a 250,000-room backlog, built up through the depression and World War II.

Office of Education has gradually been cutting down the amount of steel and copper allotted with each permit—but it still won't go 'round. At first, 305 tons was granted per \$1,000,000 worth of construction on the average. That was cut to 270 tons, and now to around 255 or 260. It normally takes almost two quarters—6 months—to build an elementary school and longer for junior and senior highs.

Mr. HOLLAND. Mr. President—

The VICE PRESIDENT. The Senator from North Dakota has the floor.

Mr. HOLLAND. Mr. President, will the Senator from North Dakota yield so that I may comment upon the matter just mentioned by the Senator from New Mexico?

Mr. LANGER. If I do not thereby lose the floor.

The VICE PRESIDENT. Without objection, the Senator from North Dakota may yield for that purpose.

Mr. HOLLAND. Mr. President, I rise to support strongly the statement just made by the able chairman of the Public Works Committee.

In the first place, with reference to the hearings which have been going on in the past few days, it has been made crystal clear that the decisions made by

the NPA and DPA have been to deny more than half of the requests of the State highway systems of the Nation for steel for construction which they regard as vital, and which have been screened by the Bureau of Public Roads and found to be vital, and have been certified as vital to the defense agencies which I have just named.

Mr. President, so that the RECORD may clearly show what has happened in that regard, the facts are that the screened requirements for structural steel for road and bridge use in the Nation for the fourth quarter of this year amounted to a total of 223,000 tons, whereas only 100,000 tons, or some 43 percent of that total, was allowed in the allotment for the fourth quarter. That followed a very disappointing third-quarter allotment, in that only a fraction of the steel supposed to have been covered by allotment certificates for highway use in the third quarter was actually made available for such road and bridge use.

Mr. President, far be it from the Senator from Florida, as chairman of the subcommittee conducting the hearings, to level criticism, at this stage of the hearings, at any of the estimable gentlemen who are handling these scarcity programs, but he does invite attention to the fact at the very time when such a scarcity existed as to justify action of the kind just mentioned, according to the Associated Press dispatch of this morning a tremendous amount of steel, from 2,000,000 to 3,000,000 tons, was committed for foreign use by Britain next year.

In order clearly to show the comparative importance of the huge amounts of steel mentioned in the press dispatch, I desire to make it clear that the total amount of all kinds of steel allotted for road and bridge use in the fourth quarter of this year was only 250,000 tons which, on an annual basis, would amount to only a million tons. So, when we are talking about 2,000,000 or 3,000,000 tons for next year as the amount to go outside of this Nation to an additional user, we are talking about an amount which involves 2,000,000 tons, which is twice the total amount found to have been necessary for road and bridge use throughout the Nation this year if we project the fourth-quarter findings to an annual basis. If we are talking about 3,000,000 tons for next year, that is three times the total amount of allotted steel for road and bridge use.

Mr. President, to conclude my brief statement, I would make it clear that the times are not normal ones in the construction of roads and bridges. Every member of the Public Works Committee of either House knows that since the close of World War II the urban program has been the slowest and most difficult part of the Federal-aid program to get under way. The primary-aid program in the rural areas was easy to get under way, and it has gone ahead at a very heavy rate. The secondary-aid program, likewise, moved rapidly, but the urban program involved repeated engineering surveys of the areas which were traversed. It involved expenditures of literally millions of dollars

to acquire the needed rights-of-way, and it required much more planning and more drafting of plans and specifications, and, above all, it required much greater use of steel than was required in the case of the primary and secondary aid programs. So that the urban projects are just now getting under way, and they are vitally affected and terribly diminished by the rationing program or the allotment program to which I have already referred.

Mr. President, perhaps that is necessary, but if it is necessary, the whole Nation should know that the deprivation of steel which is involved in the small allotment now made affects particularly the protection of the urban people of this Nation which would be afforded, if we became involved in atomic warfare, by the completion of important urban projects, and it affects also the increased needs for serving the defense effort with more adequate transportation. Those urban projects have assumed primary importance from the standpoint of the security of the Nation and in connection with the furthering of the current defense effort.

So, Mr. President, it was a rather staggering thing to have made overnight the announcement, to which the Senator from New Mexico has alluded, that some 2,000,000 tons of steel, or more, which is very badly needed in this country will be allowed to go offshore next year.

In closing, may I say that the representative of the NPA and the DPA appearing before our subcommittee this morning made it very clear that Mr. Fleischmann knew of no such commitment. The first news he had of it was when he saw it in the newspaper this morning, and he questioned the fact that any such important commitment could have been made following the informal discussions on yesterday. While he was present at those discussions it was his understanding simply that Britain's needs were to be expressed, and they would be sympathetically considered; that our Nation realized it must do what it could to help take care of the vital needs of our allies; but he wanted it understood that he knew of no such commitment, and did not believe that any such commitment was made.

Mr. President, I hope with all my heart that no such commitment will be made by people who are not conversant with the very grave needs of our people for steel in the construction of roads, bridges, and highways, particularly the vitally needed urban programs which are just now getting under way and which require heavy quantities of steel.

#### READJUSTMENT OF POSTAL RATES

The Senate resumed the consideration of the bill (S. 1046) to readjust postal rates.

The VICE PRESIDENT. The statement the Chair is about to make has no relationship to the discussions which have taken place this morning. In view of the fact that the Chair understands that the defense bill may be ready for consideration on Monday and that it is desired that the pending bill should be disposed of, as well as another bill in-



volving pay increases to postal employees, the Chair would like to advise the Senate that, everything being equal, where two or more Senators seek recognition simultaneously, the Chair will feel justified in using the discretion given him by the rule in recognizing Senators who wish to speak on the pending bill rather than on extraneous subjects. Where only one Senator seeks recognition, the Chair has no discretion. In the contingency mentioned the Chair feels that he would be justified and within the rules in recognizing Senators who wish to discuss the pending bill.

Mr. LANGER. Mr. President, yesterday when the distinguished Senator from Georgia [Mr. RUSSELL] moved to strike out section 12 of the pending bill, the senior Senator from North Dakota was absent. This is a very important matter, and I believe it should be thoroughly debated. It is for that reason that I earlier today made the motion that the Senate proceed to consider the motion to reconsider the vote by which the motion to strike, made by the Senator from Georgia, was agreed to. On my motion I ask for the yeas and nays.

The VICE PRESIDENT. The Senator from North Dakota has asked for the yeas and nays on his motion.

Mr. RUSSELL. I ask for the yeas and nays.

The VICE PRESIDENT. The pending question is merely on the motion made by the Senator from North Dakota that the Senate proceed to consider the motion to reconsider the vote by which the amendment was agreed to; not on the motion to reconsider itself.

Mr. RUSSELL. I have no objection to that.

The VICE PRESIDENT. Without objection, the motion to proceed to the consideration of the motion is agreed to. The question is now on agreeing to the motion to reconsider.

The yeas and nays have been asked for.

The yeas and nays were ordered.

Mr. RUSSELL. Mr. President, I desire to say a few words before the vote shall be had. As I stated on yesterday, I know of but one consideration which would justify the tremendous increase in the charges imposed by the pending bill on all the people of the United States who use the mails. That consideration is to eliminate the deficit of over one-half billion dollars a year which is now paid out of general tax funds for the operation of the Post Office Department. The burden which we will place upon the taxpayers by increasing the postal rates will bear upon all the people of the United States. In equity and justice, we could not possibly justify taking all the money which should be applied to the elimination of the deficit and devoting it to the objective of providing two or three mail deliveries a day to those who live in our urban areas.

Mr. President, there are in this country 33,600 post offices from which there is no delivery. A person who lives in such a community has to go to the post office and rent a box. He has to pay extra for the privilege of walking sometimes 2 miles to get his mail. Are we

going to say to a man who rents a post-office box, "If you buy a postage stamp, we are going to increase the cost to you of that stamp from 3 cents to 4 cents in order that the people who live in the cities can have two or three deliveries of mail each day"? That is what the proposal involves.

What is the Senate going to do with the 25 percent of the people who live on the RFD routes? A farmer in South Dakota, let us say, goes to his post office to buy a postal card on which to write an order for a Sears, Roebuck catalog. It is now proposed that there shall be an increase from 1 to 2 cents in the cost of the postal card which that farmer will use to send in his order for a Sears, Roebuck catalog. What does that increase go for? Does that increase in the cost of the postal card go to eliminate the deficit in the Post Office Department? No, Mr. President, it does not. We are going to take the extra penny in order to bring about two or three deliveries of mail to the people who live in the communities where there are the 4,600 post offices from which mail is delivered daily unless this section is deleted from the bill.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. JOHNSON of Colorado. The postmasters in Colorado tell me that they cannot get employees now to do the work in the post offices. The proposal of the Senator from North Dakota, if adopted, will naturally increase the employees of the post offices, will it not? Where are the employees coming from to fill the extra positions? There is a serious shortage of employees in the post offices now; at least, that is what the postmasters in my State tell me.

Mr. RUSSELL. Of course, everyone knows there is a great shortage of manpower almost everywhere.

Mr. President, can we justify taking the money represented by increased cost of sending mail to increase deliveries only to the larger urban populations?

Mr. LONG. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. LONG. I do not know whether the Senator from Georgia has had the same experience we have had in Louisiana, but the strongest argument the postmasters have used in asking me to vote for an increase in the salaries of postal employees is that they cannot get a sufficient number of qualified postal employees to do the work at the present rate of salary that is paid. I am willing to vote for an increased pay rate for postal employees. Nevertheless, as the situation now exists it is shown that there is a shortage of help.

Mr. RUSSELL. That is undoubtedly true.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. McKELLAR. Most Senators have residences in the city of Washington, and receive considerable mail there. In the hotel where I live we have a second delivery of mail. I do not know whether there is a third delivery.

Mr. RUSSELL. There are four deliveries in the Senate Office Building.

Mr. McKELLAR. I am not talking about the Senate Office Building. I am talking about the hotel where I live. I wish to say that I do not believe I have received three letters that were not advertisements during the entire time I have lived there. Apparently most of the mail delivered to me at the hotel is distributed free. I believe most mail now delivered in cities is delivered free. Why should there be three extra deliveries in cities, or even one extra delivery, when the material delivered is of a character that we never read.

I hope that some of those who send letters and circulars to me will read what I have to say today. I want to tell them that I never read the material they send me. The material is thrown in the wastebasket. It simply makes more work for the servants at the place where I live. It is a perfect outrage on the people of the cities as well as the people in the country that such material should be sent.

Mr. RUSSELL. I thank the Senator from Tennessee for his statement.

Mr. President, I have referred to those who do not receive any benefit from deliveries from the 36,600 post offices which do not deliver mail, and the 25 percent of the people who live on the RFD routes. Let us now consider the cities. I venture to say, Mr. President, that if those who receive mail in the cities were told that they could have their choice as to whether or not they were going to have this increase in postal rates imposed upon them in order to get the benefit of two or three deliveries of mail a day, 95 percent of the city people who would be affected by this bill would say that the Congress could not justify increasing their postal rates, simply to make possible two or three deliveries of mail a day.

Mr. CASE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from South Dakota.

Mr. CASE. The Senator from Georgia referred to the case of a farmer in South Dakota who would object to an increase in the cost of a postal card from 1 cent to 2 cents in order to help pay for additional deliveries of mail in the cities. To that I wanted to add the point, which the Senator has just made, namely, that 95 percent of the people in the cities themselves would oppose increased mail rates for the purpose of increasing the number of deliveries to them per day.

Mr. RUSSELL. The Senator from South Dakota is correct. We cannot justify increasing postal rates merely for the purpose of increasing the number of mail deliveries.

The postal employees are entitled to an increase in pay. If we pass the pending bill it is estimated that next year it will result in producing in the neighborhood of \$375,000,000 or \$400,000,000 which should be applied to the \$500,000,000 postal deficit. If we want to apply it to an increase of deliveries and wages, we ought to change the title of the bill by striking out "to readjust postal rates", and inserting "a tax of \$400,000,000 on the American people for



the benefit of the postal employees." We cannot possibly, from any standpoint, justify charging a man 2 cents for a postal card, or 4 cents for a postage stamp merely to increase the deliveries of 4,600 post offices which deliver mail by postmen within the confines of that number of cities.

Mr. President, I think I have nothing further to say. I am in favor of the salary increase for the postal employees, but if we are going to take an additional \$125,000,000 to \$150,000,000 to restore the city deliveries, and at the same time increase the wages of the postal employees, I cannot vote for this increased tax of \$400,000,000 on the American people. I cannot justify it unless a substantial part of the funds derived from the increase in rates is to be applied to the deficit of the Post Office Department. If the funds are not to be used to reduce the deficit which is now made up by taxation on the same people that will be taxed in this bill, I could not possibly justify the increased rates. I am perfectly willing to go along with the salary increase bill if we can take some action to eliminate the deficit of the Post Office Department, action which is long past due.

I said yesterday that the Government has a monopoly in the delivery of mail and in postal service. We ought to make it pay its way. But if we do not strike this provision from the bill, and then pass the postal workers' pay increase bill, we shall have increased the charges on the American people by nearly \$400,000,000. We shall not have touched the deficit. The American people will have to continue to pay taxes to make it up. Almost half the amount raised would be for the benefit of those who live in the cities and who, in my judgment, are satisfied with one delivery of mail a day.

Mr. LANGER. Mr. President, I did not realize that the distinguished Senator from Georgia was going to debate the bill before we voted on the question of reconsideration of the vote by which section 12 was stricken from the bill. However, inasmuch as he has done so, let me say to my distinguished friend that he does not know what he is talking about. The committee, consisting of seven Democrats and six Republicans, considered this question very carefully.

This provision does not involve a charge of \$150,000,000, as my distinguished friend tells the Senate today. I challenge that statement, because it is not accurate. I have the word of the Postmaster General himself, in his testimony given before our committee.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. LANGER. I did not interrupt the distinguished Senator from Georgia. I should like to complete my statement before I yield to him.

Mr. RUSSELL. The Senator from North Dakota referred to me. I did not refer to him in the course of my remarks.

Mr. LANGER. I yield to my distinguished friend.

Mr. RUSSELL. I may say that the only information I had was that which was set forth in the committee report

by the seven Democrats and six Republicans to whom the Senator refers. There is included a letter from the Postmaster General, stating that the cost involved in a restoration of the extra mail deliveries would be from \$125,000,000 to \$150,000,000. What the Senator from Georgia said was not in error. The Senator from Georgia was stating what was asserted in the report of the standing committee whose duty it is to furnish information to the Senate in conjunction with a bill it reported.

Mr. LANGER. If that statement was made in the report, it was written by someone without the knowledge of the Senator from North Dakota, who as a general rule is quite familiar with what takes places.

Mr. RUSSELL. The Senator from North Dakota, then, is not quite infallible.

Mr. LANGER. He is almost infallible when it comes to the matter which we are discussing at the present time. I have taken the word of the Postmaster General when he testified not only before our committee, but in other places. For example—

Mr. JOHNSTON of South Carolina. Mr. President, perhaps I can throw a little light on the subject. The letter to which the Senator from Georgia refers was sent to the committee after the hearings had been concluded. The clerk called the chairman of the committee and asked him about making it a part of the record. It will be noticed that it is attached at the end of the report. For that reason I do not believe any member of the committee saw the letter until it was printed as Senators find it on their desks today.

Mr. LANGER. That explains the situation. I thank the distinguished Senator from South Carolina.

Mr. President, I wish to call the attention of the Senate to the fact that on March 6 of this year the Postmaster General told the House Post Office and Civil Service Committee:

A most unhealthy situation has been created for the postal service and it has resulted in the adoption of alternatives which, although designed to narrow the gap between revenues and expenditures, have not only failed to do so materially but have proven to be impracticable and unwise.

He himself says that his order was impracticable and unwise. That is his own testimony.

On August 11, 1950, the Postmaster General addressed a letter to Representative TOM MURRAY, chairman of the House Post Office and Civil Service Committee, which letter had reference to House bill 8195, a bill to rescind the curtailment order of the previous April. That is the order which we are now discussing. The letter reads in part:

This order contained instructions to make readjustments of certain postal activities to become effective on or before July 1, 1950, which is estimated to reduce postal expenditures by approximately \$70,000,000 on an annual basis.

In that instance he used the figure \$70,000,000.

I quote the Postmaster General once more. On February 13, 1951, his office addressed a letter to the Senator from New York [Mr. Ives] which reads in part as follows:

Because of extra expenditures due to increased mail volume and extensions of service, it would be difficult to accurately estimate the actual savings and no records have been maintained from which actual figures might be furnished.

A month later, on March 15, 1951, the New York Times carried a news item captioned "Mail cut-back saving is put at \$80,000,000." The Postmaster General gave the \$80,000,000 estimate in closed-door testimony to the House Appropriations Committee on March 14 of this year.

Suddenly we have a letter which says that the amount involved is \$125,000,000 or \$150,000,000. As a matter of fact, according to the testimony given before our committee, I should say that perhaps \$15,000,000 would be much more accurate than an amount from \$125,000,000 to \$150,000,000.

I wish to make it clear to the Senate that I am absolutely opposed to increasing the postal card rate from 1 cent to 2 cents. I voted against it in the committee; and I voted against the increase in first-class postage from 3 to 4 cents.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. DOUGLAS. Do I correctly understand the Senator's position to be that he wants to increase expenditures but not to increase revenue?

Mr. LANGER. I shall answer that question in a moment. Before I come to that, let me say that a moment ago my distinguished friend stated that there were thousands of people who did not want to work in the Post Office Department. There is a shortage of help. If a carrier has to carry on one trip mail which used to be piled up for two or three trips, mail weighing as much as 150 to 200 pounds, he may decide to look for another job. A short time ago I was in Detroit, where more than 700 employees have quite the postal service. They told me, "We simply cannot carry all this mail. The burden is too heavy. There ought to be two or three deliveries a day, as we formerly had." The result is that they have been quitting all over the country.

In addition, the pay was too low; and now we are endeavoring to raise it.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. LANGER. In a moment I shall be glad to yield.

We are endeavoring to raise the pay so that the service will attract the sons of some of the mail carriers, who today will not go into the service because of low pay and because of the one-delivery-a-day order made by the Postmaster General.

For some strange reason—Heaven only knows why—we are suddenly told that the Post Office Department must pay its own way. How many times has it done so since the Post Office Department was organized? It has not done so over



scores of years. If the Congress is so anxious to have it pay its own way, let us do away with the franking privilege and save \$90,000,000 a year in that way. Every time we create a new bureau the result is that more and more letters and literature are sent out under frank.

But that is not all. There is no department of the Government under the jurisdiction of any committee of the Senate which pays its own way. The Army does not do it. The Navy does not do it. The Department of Commerce does not do it. But suddenly it is said that the Post Office Department should do it. Some of the very men who today are arguing in favor of the Post Office Department paying its own way stood upon this floor 2 years ago and opposed the senior Senator from North Dakota when he fought hard to keep Time, Fortune, and some of the other Luce publications from getting a subsidy of \$15,000,000 which was later reduced to \$10,000,000 to send their magazines abroad. Even today they are getting that subsidy. We do not hear anything about that, Mr. President. The plan seems to be to keep the wages of postal employees down and to penalize the people of the United States, who, at least until a year ago last July were enjoying excellent mail service.

Two or three deliveries a day are made in Canada. Some say it is because the postal rate is higher. The first-class rate in Canada is 4 cents instead of 3 cents. The committee went into the matter very carefully. The Postmaster General appeared and testified. There appeared before the committee representatives of various mail organizations. When the committee got all through it voted unanimously to let section 12 stand. I believe it should be left in the bill, and should go to conference. I may add that the distinguished chairman of the committee, the Senator from South Carolina [Mr. JOHNSTON] was one of the Senators who advocated the restoration of the full mail delivery service.

Mr. LONG. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield to the distinguished Senator from Louisiana.

Mr. LONG. Does it seem fair to the Senator from North Dakota that the third-class mailing privilege should be so extensive that every time a person mails a third-class parcel the taxpayers of the country should pay half of the expense? I notice that the revenues are \$153,000,000 and the expenses are \$289,000,000. Most of that mail consists of advertising, as I understand.

Mr. LANGER. That is correct.

Mr. LONG. It seems to the junior Senator from Louisiana that it is unfair that commercial media of advertising, such as radio, newspaper, and other forms, should be forced to compete with the Post Office Department, which collects half of the expense involved from the persons using the service, and is charging the taxpayers for the other half of the expense involved, in direct competition with private enterprise.

Mr. LANGER. My distinguished friend from Louisiana is entirely correct.

It is absolutely unfair. The Senator from Louisiana has been a member of the committee for about 2 years. He is thoroughly familiar with the fact that the committee has been trying, for example, to cut down on some of the advertising. In some of the magazines advertising fashions and women's clothes as much as 70 percent of the space is consumed in advertising. The committee has been trying to cut that down. This bill would do it.

Mr. LONG. The trouble with that kind of advertising is that the housewife is being made to meet the expense of half of the cost of such advertising whether or not she buys a dress.

Mr. LANGER. That is correct. That is why we have tried to remedy the situation. We have made a start in that direction in this bill.

Mr. LONG. Why do we not wipe out the subsidy?

Mr. LANGER. I will tell my distinguished friend why we do not do it. It is because the act governing the activities of the Post Office Department contains a provision that certain papers can be sent out for scientific and educational purposes. Some of those papers do not contain any advertising. Some contain a very small amount. Over the years advertising has so developed that in some magazines as much as 70 percent of the pages are used for advertising.

Mr. LONG. That applies mostly to second-class mail, rather than third-class mail.

Mr. LANGER. Yes; but no effort was made to remedy the situation until 4 or 5 years ago, when I was chairman of the committee. At that time we had hearings on the subject, and took the first step toward making such mail pay its own way.

Mr. LONG. I thank the Senator.

Mr. LANGER. I yield the floor. I ask that a vote be had on my motion. The yeas and nays have been ordered, Mr. President.

The PRESIDING OFFICER (Mr. GILLETTE in the chair). The question is on agreeing to the motion of the Senator from North Dakota to reconsider the vote by which the Senate agreed to the amendment offered by the Senator from Georgia [Mr. RUSSELL]. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. RUSSELL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. RUSSELL. As I understand, Senators who are opposed to a reconsideration of the action of the Senate on yesterday should vote "nay." Is that correct?

The PRESIDING OFFICER. The inquiry is not exactly a parliamentary inquiry, but the Chair believes the statement of the Senator from Georgia to be correct. The clerk will call the roll.

The Chief Clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON] is absent by leave of the Senate.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Rhode Island [Mr. GREEN], and the Senator from Montana [Mr. MURRAY] are absent because of illness.

The Senator from Mississippi [Mr. EASTLAND] is absent because of illness.

The Senator from Washington [Mr. MAGNUSON], the Senator from Nevada [Mr. McCARRAN], and the Senator from Alabama [Mr. SPARKMAN] are absent by leave of the Senate on official business, attending the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Oklahoma [Mr. MONRONEY] is necessarily absent.

The Senator from North Carolina [Mr. SMITH] is absent by leave of the Senate, attending the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

I announce further that if present and voting, the Senator from Montana [Mr. MURRAY] would vote "nay."

Mr. HENDRICKSON. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Maryland [Mr. BUTLER], the Senator from Missouri [Mr. KEML], and the Senator from Minnesota [Mr. THYE] are absent on official business.

The Senator from Ohio [Mr. BRICKER], the Senator from Vermont [Mr. FLANDERS], the Senator from Oregon [Mr. MORSE], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Utah [Mr. WATKINS], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Wisconsin [Mr. WILEY] are absent on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Michigan [Mr. FERGUSON] is absent by leave of the Senate to attend the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from California [Mr. KNOWLAND], and the Senator from New Jersey [Mr. SMITH] are absent by leave of the Senate on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Massachusetts [Mr. LODGE] is absent by leave of the Senate, and, if present, he would vote "yea."

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The Senator from Nebraska [Mr. BUTLER], the Senator from Kansas [Mr. CARLSON], the Senator from Illinois [Mr. DIRKSEN] and the Senator from Pennsylvania [Mr. DUFF] are detained on official business.

On this vote the Senator from Maryland [Mr. BUTLER] is paired with the Senator from New Jersey [Mr. SMITH]. If present and voting, the Senator from Maryland would vote "nay" and the Senator from New Jersey would vote "yea."



The result was announced—yeas 17, nays 46, as follows:

## YEAS—17

Cain	Jenner	Millikin
Capehart	Johnston, S. C.	Neely
Ecton	Kilgore	Pastore
Hendrickson	Langer	Smathers
Humphrey	Malone	Welker
Ives	McCarthy	

## NAYS—46

Aiken	Hill	Moody
Bennett	Hoey	Mundt
Benton	Holland	Nixon
Byrd	Hunt	O'Connor
Case	Johnson, Colo.	O'Mahoney
Clements	Johnson, Tex.	Robertson
Connally	Kefauver	Russell
Cordon	Kerr	Schoeppel
Douglas	Lehman	Smith, Maine
Dworshak	Long	Stennis
Ellender	Martin	Taft
Frear	Maybank	Underwood
George	McClellan	Williams
Gillette	McFarland	Young
Hayden	McKellar	
Hennings	McMahon	

## NOT VOTING—33

Anderson	Ferguson	Morse
Brewster	Flanders	Murray
Bricker	Fulbright	Saltonstall
Bridges	Green	Smith, N. J.
Butler, Md.	Hickenlooper	Smith, N. C.
Butler, Nebr.	Kem	Sparkman
Carlson	Knowland	Thye
Chavez	Lodge	Tobey
Dirksen	Magnuson	Watkins
Duff	McCarran	Wherry
Eastland	Monroney	Wiley

So the motion to reconsider was rejected.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. LONG. Mr. President, I submit the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 14, in line 9, it is proposed to strike out the period at the end of the sentence and insert a semicolon and add the following proviso:

*Provided, That the rate on such cards used for personal correspondence by any individual and not for advertising purposes, or commercial or political solicitation, or for purposes of notice of commercial indebtedness, and on such cards sent by or in behalf of any organization exempt from taxation under paragraphs (1), (3), and (6) of section 101 of the Internal Revenue Code, shall be 1 cent. The Postmaster General is authorized to prescribe the form of cards which may be mailed at the respective rates provided by this subsection and to promulgate such regulations as may be necessary to their use.*

Mr. LONG. Mr. President, I offered the same amendment before in the Eighty-first Congress, and the committee agreed to it, and it was reported to the Senate as a part of the postal rate bill at that time.

This amendment would save the penny post cards for the one who really is entitled to them, namely, the average person who wishes to spend a small amount for a postal card and mail it to a friend.

The testimony shows that about 95 percent of the penny post cards are used for commercial advertising purposes. In other words, someone who is conducting a business goes to a post office and buys as many as 100,000 or in some cases as many as 1,000,000 or even 5,000,000 penny postal cards at one time, and has advertising printed on them, to advertise the product he manufactures or sells, and then drops the postal cards, bearing his advertisement, into the mails, in bulk.

It is interesting to note that in connection with advertising by means of the penny postal cards, the Government pays two-thirds of the cost, because it costs a little more than 2½ cents to produce the postal card and deliver it, and the Government charges 1 cent for the card as well as for its delivery.

This amendment would leave the penny postal card available for private, individual use; but for bulk mailing of penny postal cards and when they are used for advertising purposes, which constitutes 95 percent of the use of the penny postal cards, the rate would be 2 cents.

The result of the adoption of this amendment would be that the average American citizen would not even know that the price of postal cards had been raised; but the Government would stop subsidizing those who advertise by means of the use of postal cards.

It seems to me unfair that the radio, the television, the newspapers, and the magazines should all lose advertising in terms of advertisements which go through the mail by means of penny postal cards, while the Government subsidizes two-thirds of the cost of that form of advertising.

This amendment, if adopted, would cause those advertisers to pay the increased rate, whereas the individual, private users of penny postal cards, who use them for private correspondence, would continue to pay the 1-cent rate.

The cost of subsidizing the use of postal cards by the average American citizen for private correspondence purposes would thus be only about \$4,000,000.

If we are not to have any subsidies at all, I would say let us not subsidize even the penny postal cards when used for private correspondence, even when used by poor people. However, we say that it is quite all right for the Government to spend six times as much in subsidizing the delivery of newspapers and magazines as it spends in subsidizing the use of penny postal cards for individual private correspondence. If we are going to subsidize the newspapers and the magazines to that extent and if we are to continue other subsidies, I think we should at least subsidize the use of the penny postal card by poor people, who make use of the penny postal card for private, individual correspondence.

As I have said, the greater part of the use of the penny postal card as of the present time is for advertising purposes. This amendment, if adopted, would retain the higher rate in the case of those who use the penny postal cards for advertising purposes; but under the amendment the lower rate would apply in the case of the private use of postal cards for individual correspondence or for their use by charitable, educational, or similar organizations.

Mr. O'CONOR. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. O'CONOR. Has the Senator given much thought to the difference between commercial and noncommercial advertising usage?

Mr. LONG. Approximately 95 percent of the postal cards being used are

used, so we are told, for advertising purposes, for sending out bills, and for similar uses. The Government loses approximately \$70,000,000 annually, at the present rate, on the handling of penny postal cards. Therefore, assuming that only 5 percent of the postal cards are used for private, individual correspondence, we can estimate that it would cost the Government approximately \$3,000,000 a year to continue the 1 cent rate on private postal cards which are used by the average American citizen for correspondence purposes.

I would be very happy to support an amendment to increase the rates on second-class and third-class mail sufficiently to raise an additional \$3,000,000, so as to provide the funds with which to pay the \$3,000,000 subsidy called for by the continued use of the penny postal cards for private, individual correspondence. In fact, I would be very happy to support an amendment which would increase the rate on second-class and third-class mail sufficiently to provide a considerably larger additional amount than that in the case of the classes of mail which are much more heavily subsidized than are the penny postal cards.

Mr. O'CONOR. I thank the Senator.

Mr. JOHNSTON of South Carolina. Mr. President, I do not think we should consider this amendment in relation to the entire \$70,000,000 loss to the Post Office Department. Of course, the exemption proposed by the amendment would affect only approximately the \$44,000,000 which will be provided as an additional amount by means of this item of the bill.

When the Senator speaks of \$70,000,000, it should be remembered that that is the amount which it is estimated is lost by the Government as a result of the 1 cent rate on postal cards at the present time.

The amendment submitted by the Senator from Louisiana would raise the rate from 1 to 2 cents only on postal cards which are used for advertising purposes. However, in order to make the postal cards pay their way, it would be necessary to raise the rate on all post cards to 2.8 cents, whereas the Senator's amendment provides only for a 2-cent rate in the case of postal cards which are used for commercial advertising purposes.

Mr. LONG. Mr. President, I point out that since it is estimated that the increased rates on post cards provided by the bill, will produce a gross of only approximately \$44,000,000, it should be borne in mind that this amendment, if adopted, would reduce that saving by only about 5 percent, or 5 percent of \$44,000,000, which would be approximately \$2,200,000.

Mr. JOHNSTON of South Carolina. That is true.

Mr. LONG. Mr. President, I hope the Senator from South Carolina will accept the amendment. A similar amendment was considered in the previous Congress; and last year the Committee on Post Office and Civil Service, then also headed by the distinguished Senator from South Carolina, agreed to the amendment. At that time the bill was reported with this amendment in it. I very much hope that the distinguished chairman of the com-



mittee may be able to accept the amendment and take it to conference.

Mr. JOHNSTON of South Carolina. I wish to make a brief explanation before we act upon the amendment, either agreeing to it or disagreeing. I would like to explain its probable effects, and what complications might result in the administration of it.

What about post cards? The Postmaster General says such a provision would be very difficult to administer from an administrative standpoint, though most of the members of the committee were of opinion that it could be worked out. We receive numerous post cards from different people, which probably sometimes become a nuisance. Some of the Senators have spoken to me about it. Adoption of the amendment would probably open the way for the senders of such cards to send them for 1 cent instead of 2. We realize that. But I want to get the pending bill passed, and to have another bill taken up and passed immediately following the disposition of this bill. I am very anxious to get both the bills passed today. I am willing to take this amendment to conference, without promising the Senator from Louisiana what action the free conference might take in regard to it.

Mr. LONG. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I have looked with favor upon the amendment, which was proposed last year and is presented again this year, and I should be willing to try to work something out.

Mr. CAPEHART. I am not so sure that I shall not want a record vote on the amendment, though I may not, but before the Senator from South Carolina accepts the amendment, I should like to ask a question. How much is it proposed to increase newspaper postage?

Mr. LONG. Many newspapers are at this time even being delivered free, but as I understand it, on any third-class mail, which includes newspapers and magazines, the Government loses \$5 every time it collects \$1. In other words, it spends \$6 to deliver both newspapers and magazines, when it collects but \$1.

The increase for that class of mail is, I think, about \$3,500,000, if I read the bill correctly, which would mean that the cost on the class of mail affected would amount to about \$250,000,000, whereas the Post Office Department collects a gross of about \$45,000,000. It is proposed to raise that to such a point that \$48,000,000 will be collected; the result being that there would still be a loss of about \$200,000,000.

Mr. CAPEHART. My question is, What is the percentage increase on second-class mail, which includes newspapers and magazines?

Mr. LONG. It is being increased by about 10 percent. But I am sure the Senator would like to know that that particular kind of mail is only paying about one-sixth of the cost of delivery.

Mr. CAPEHART. I understand that. My next question is—

Mr. UNDERWOOD. Mr. President, will the Senator yield to me?

Mr. CAPEHART. May I ask one more question?

The PRESIDING OFFICER. The Senator from South Carolina has the floor. Does the Senator yield, and if so, to whom?

Mr. JOHNSTON of South Carolina. I yield first to the Senator from Indiana.

Mr. CAPEHART. If I may ask one more question, it is proposed to increase the rate on magazines and newspapers by 10 percent, and yet it is proposed, under the amendment, to double the rate, or to increase the rate, to the direct-mail advertiser, by 100 percent. That is unfair, unwarranted, and it should not be approved by the Senate. We cannot be that unfair to direct-mail advertisers, in comparison with magazine and newspaper advertisers.

Mr. LONG. I may suggest to the Senator that this is done for the reason that the Government has seen fit to subsidize newspapers and magazines, upon the theory that to do so is to aid in the distribution of information which the public would want. We are still making exception in the case of charitable organizations, and in the case of organizations exempt from taxation under the Internal Revenue Code, which includes all charitable organizations. In this amendment we are still saving the 1-cent postcard for those organizations.

Mr. CAPEHART. Mr. President, if the Senator will yield further, all we need do is to look at the advertisements in the newspapers and magazines, to realize that they are making a great deal of money.

Mr. LONG. But if the newspapers and magazines were only advertising, not furnishing information and knowledge which the public might want, I believe that the Congress would probably eliminate most of that subsidy.

Mr. CAPEHART. What is proposed is to increase the postal rates on magazines and newspapers, which are advertising media, operated for a profit. It is proposed to increase their rates by 10 percent, whereas it is proposed to increase the rates to the direct-mail advertiser 100 percent.

Mr. LONG. The Senator from Indiana has completely misunderstood my point.

Mr. UNDERWOOD and Mr. CAPEHART addressed the Chair.

The PRESIDING OFFICER. The Chair will have to insist upon order. The Senator from South Carolina has the floor. Does the Senator yield, and if so, to whom?

Mr. JOHNSTON of South Carolina. Mr. President, first I want to clear up this situation. If the Senator is talking about second-class mail, this bill calls for a 10-percent increase the first year, another 10-percent increase the second year, and another 10-percent increase the third year—a total increase of 30 percent over a period of 3 years. Our reason for doing that was that we wanted to give those affected time to adjust their affairs, and not to put the entire increase into effect all at one time.

In regard to the supposed enormous loss, which is spoken of in connection with second-class mail, let us consider for a moment whence a great deal of it

comes. Farm magazines are published and distributed throughout the United States. They enjoy special privileges even beyond those enjoyed by some of the newspapers. There are county newspapers, which are delivered free within the county of the newspaper. Then there are certain other magazines, such as religious magazines, to which precedence is given. All of those are factors in the general result. The privilege is not limited to the big magazines, nor is it limited to the big newspapers. I thought I should call that to the attention of the Senate, so that Senators would know the factors which help to make up the second-class-mail deficit.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON of South Carolina. I yield.

Mr. LONG. I should like to point out to the Senator that I am not, in this amendment, proposing to increase any rate. The committee bill proposes to raise the penny post card from 1 cent to 2. I am proposing that that increase shall not apply to charitable organizations, and that it shall not apply to the average person who sends a penny post card, using it for the sending of private, individual messages, not for advertising purposes. That would mean that we would be exempting about 5 percent of the penny post cards, which, in my opinion, constitute a class of mail which is, above any other class, entitled to be exempt from this rate increase.

Mr. CAPEHART. Mr. President, if the Senator will yield, I have no quarrel with the magazines or newspapers or farm papers, either with respect to the rate which they are now paying, or with respect to the rate that is proposed, on the basis of a 30-percent increase over a period of 3 years. My objection is simply that, in all those magazines, or at least in 99 percent of them, there is advertising, and they are operating for a profit. Evidently the intention is to increase the rate to them by 30 percent. But as to the direct-mail advertisers—and most of the organizations in the United States, which are engaged in business, use direct mail—the proposal is to increase the rate 100 percent. Wherein is the fairness of that?

Mr. LONG. Mr. President, will the Senator yield?

Mr. CAPEHART. Why do we penalize the direct-mail advertisers by increasing their rates 100 percent, or by doubling their postage rates or costs, when we are, at the end of 3 years, going to increase the rates to magazines and newspapers by only 30 percent?

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Louisiana?

Mr. JOHNSTON of South Carolina. Mr. President, I think the Senator from Indiana is a little bit confused as to the different classes of mail. He speaks of third-class mail, and I may say to him that we are proposing, in the pending bill, to increase the revenue from that class of mail to the extent of about \$17,000,000.



Mr. CAPEHART. By what percentage is it to be increased?

Mr. JOHNSTON of South Carolina. That is a percentage of about 12½ percent; so, while the Senator speaks of a 100-percent increase, it is not that much.

Mr. CAPEHART. If the price of a penny post card is increased from 1 cent to 2 cents, it is increased by 100 percent. That is, of course, what the direct-mail advertiser deals with. The proposal would simply double the cost of direct-mail advertising.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Louisiana?

Mr. JOHNSTON of South Carolina. I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, I feel that the Senator from Indiana should understand that his objection is not directed at my amendment. His objection is directed at the committee bill which increases the penny post card to 2 cents. My amendment is to exempt certain classes of penny post cards from that rate increase. The Senator from Indiana can either vote against the increase in the rate or—

Mr. CAPEHART. Why does not the able Senator amend his amendment to cover the situation? It is a 100-percent increase.

Mr. JOHNSTON of South Carolina. Mr. President, it will be found that in the case of third-class mail the bulk mail increased 25 percent. When we take the over-all figure on all that mail we find there is an increase of \$17,000,000. We were collecting \$153,000,000 before we applied the increased rate.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. CAPEHART. If I mail 1,000,000 post cards tomorrow for advertising purposes or to collect bills, the increase in the rate is 100 percent.

Mr. JOHNSTON of South Carolina. That is in second class. We have not had any increase in that field for many years. The cost of carrying post cards has increased to 2.8 cents, which means that at the present time the taxpayers of the United States are subsidizing everyone who sends a post card 1.8 cents.

Mr. CAPEHART. How much are we subsidizing magazines and newspapers?

Mr. JOHNSTON of South Carolina. They are all subsidized somewhat; there is no question about that.

Mr. CAPEHART. My point is, why should be increase one 30 percent and the other one 100 percent?

Mr. JOHNSTON of South Carolina. When we get into the field of the post card and into the field of letters we are giving preferential treatment, and we felt that people should be willing to pay 2 cents for a post card.

Mr. CAPEHART. I am perfectly willing to do that, providing the rates on newspapers and magazines are also increased so that the postal service may be on a paying basis, but we are increasing one 10 percent a year for 3 years, and the other one 100 percent.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield to the Senator from Illinois.

Mr. DOUGLAS. Will the Senator from South Carolina permit me to welcome the Senator from Indiana as a supporter of the proposal to try to save some money?

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. MUNDT. As the Senator from South Carolina knows, there are good reasons why newspapers and magazines should receive preferential treatment as against commercial post cards, because, after all, magazines and newspapers are mediums of information. They convey stories, articles, and information, and it has been the policy of the Government throughout its history to encourage the dissemination of information, whereas a post card, which is sent out for direct advertising, is simply a business venture.

Mr. JOHNSTON of South Carolina. Hundreds of witnesses appeared before our committee and discussed the subject, and every witness who appeared stated that newspapers, farm papers, and magazines were rendering a service to the people, and should be given some preferential treatment. They disagreed as to how much it should be and how it should be carried out. The committee thought the recommendation made in the bill was the best it could do at this time, and decided to have a committee study the subject further and see what should be done in all the different fields.

Mr. MUNDT. I think the committee has acted very wisely, and I commend it for recognizing the distinction between a pure business venture and a medium of information. In my opinion there is no basis at all for comparing the different kinds of mail media.

Mr. CAPEHART. Mr. President, will the Senator from South Carolina yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. CAPEHART. Can the Senator show me any magazine or newspaper that is not operated for profit? If he can, I shall agree with his statement. It is proposed that we increase the rates on magazines and newspapers 30 percent and to increase the direct-mail advertiser's rate 100 percent. I am objecting to the unfairness of that situation.

Mr. JOHNSTON of South Carolina. The committee felt that under all the circumstances it was doing what was right.

Mr. UNDERWOOD. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. UNDERWOOD. Mr. President, in answer to the question of the Senator from Indiana, let me say that while newspapers are published for profit, they are not making a profit from mail circulation. As to most of the large newspapers not 2 percent of their circulation is mail circulation. They would make more money if they discontinued it entirely. We went into that matter.

Furthermore, newspapers have paid-up circulation for 3 years in advance. It is true that there was one witness who suggested to the committee that he believed an advertisement for hair oil was as valuable to a country resident as was the New York Times or the Reader's Digest, but the committee did not believe that. It believed newspapers are doing something for public enlightenment.

The proposal to raise rates on the few newspapers which are paying the full mail rates would not bring in any great amount of money to the United States Treasury, and it would not be equitable. It would not even touch the source where the supposed deficit charged to that field is found.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. CARLSON. In connection with the statement made by the distinguished Senator from Indiana with regard to gross profits of some newspapers, I may say that as the Senator from South Carolina well knows, many witnesses appeared before our committee. I would refer the distinguished Senator from Indiana to page 297 of the hearings, which contains part of the statement of Charles E. Sweet, of the Capper Publications, Inc., Topeka, Kans., one of the large publishers of important newspapers in the United States. I read from his statement:

In regard to the rates proposed in S. 1046 being "excessive and unreasonable" I should like to point out that in all business, whether public or private, there is a very legitimate meaning of the phrase "what the traffic will bear." In our own business, and for the publications in Topeka (and not including those in Cleveland or Kansas City) our second-class postage bill for 1950 was \$522,500. Under S. 1046 the first year's step would cost us \$261,250, which is several times the gross profit of these publications last year.

At that time we were considering a 100 percent increase in the postal rates instead of the proposal of a 10-10-10 or 30-percent basis.

Mr. JOHNSTON of South Carolina. I am glad the Senator from Kansas has brought that point to the attention of the Senate. The publishers of several newspapers called our attention to the fact that the increase would put them out of business.

Mr. LANGER. Mr. President, will the Senator from South Carolina yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. LANGER. The trouble is that the poor fellow who sends out a penny postal card is entirely unorganized; he has no lobby to come before a committee of the Congress and speak in behalf of the unorganized people who use postal cards.

There are great magazines which charge \$50,000 or \$75,000 a page for their advertising. It is known that the newspapers mentioned by the distinguished Senator from Kansas [Mr. CARLSON] do not charge anything for subscriptions. They make their money from advertising. We do not find Life magazine or Fortune magazine appearing, but we find appearing what are described as the Capper publications, which have an enormous



circulation, agents for which used to go around my State making almost any kind of a deal for the purpose of obtaining subscriptions. An agent would approach a farmer and say, "You ought to subscribe for Capper's paper." The farmer would say, "How much is it?" The reply would be 10 cents a year or \$1 a year, whatever he might offer it for. In many instances to my own knowledge an agent traveling around soliciting subscriptions would arrange for subscriptions at a price fixed by him. He would take a chicken coop along with him and perhaps accept chickens in payment for subscriptions, and so on.

So I maintain that the testimony given by Mr. Sweet, insofar as it applies to Life magazine and Fortune magazine and other magazines of that type, is entirely unfair. I agree with the distinguished senior Senator from Indiana that if we are going to raise the rate on postal cards 100 percent, then most certainly we ought to raise the rate on magazines such as Life and Fortune, and so forth, with their full-page advertisements, 100 percent.

Mr. JOHNSTON of South Carolina. Speaking for myself and also for some of the other members of the committee, I am willing to take the amendment which the Senator from Louisiana has offered to conference.

The PRESIDING OFFICER. Without objection—

Mr. NEELY. Mr. President, will the distinguished Senator from South Carolina yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. NEELY. Mr. President, during the Eighty-first Congress a subcommittee, of which it was my privilege to be the chairman, long and patiently conducted hearings on the subject matter of the pending bill. During the progress of those hearings vigorous objections were made to every proposed increase in postal rates, except that in favor of doubling the price of postal cards. Against that reform not a single protest was filed and not a single voice was heard.

Mr. President, in my opinion, to adopt the pending amendment would be to violate the laws of logic, economy, and common sense. Let me say in response to the interrogatories and observations of the able Senator from Indiana [Mr. CAPEHART] that the reason the rate on magazines has not been increased as much as that on postal cards lies in a number of important facts. For example, the postal card is the only species of first-class mail that does not yield the Government a profit for its transportation. While magazines and periodicals are frequently cheaply shipped in carload lots, a postal card is as speedily transmitted and as promptly delivered as a letter adorned with a 3-cent stamp.

To adopt the amendment would be to increase the Post Office Department's deficit \$2,200,000 a year. For a long time the Government has lost 1.8 cents on every postal card it has sold, carried, and delivered.

A vote for the amendment is a vote to continue this uneconomic, unnecessary and unjustifiable cut-rate service.

A vote for the amendment is a vote to make it possible for a few brazen, brainless blatherskites, who ought to be in the penitentiary instead of before a radio microphone, to have the public deluge the Members of the Congress with postal cards telling them how they should vote on questions of vital importance about which many of the writers of the cards know absolutely nothing except what they have heard from a hired broadcaster for some selfish interest. During a single month of last year more than 12,000 of these postal cards were delivered to my office in response to a radio appeal from the most vicious, mendacious, slanderous scoundrel who has ever befouled a broadcasting channel with his propaganda. These cards cost the taxpayers \$216 more than the Government received for delivering them to me. Judging from the few specimens which were brought to my personal attention, more than three-fourths of these cards were written not by the people of West Virginia but by residents of other States to whom the welfare of my constituents was of no apparent concern.

In behalf of economy, judgment, and justice, I entreat the Senate to defeat this amendment.

Mr. LONG. Mr. President, from my own personal experience, having recently been reelected, and having had the penny postal card an issue in my last campaign, I would suggest to the Senator from West Virginia that he had better hope he does not succeed in defeating the amendment. While speaking in my State I found that the people were interested in penny postal cards. An issue was made against me by those opposing me that I was the man who tried to raise the rate on the poor man's penny postal card. I found that there were a great many people in my State who use the penny postal card. Perhaps the per capita income in my State was lower then than that in the Senator's State, but I have recently found that our per capita income is now higher than that in the State of the Senator from West Virginia. I found that there were many persons in my State who were interested in retaining the penny postal card, and felt a resentment due to the erroneous impression that the junior Senator from Louisiana was trying to take the penny postal card away from them. I succeeded, however, in explaining my position to the people of my State. I explained to them that I wanted to leave the rate on the penny postal card at 1 cent for the poor man, but would let Mr. Le Blanc, who is advertising Hadacol, pay 2 cents for sending out his advertisement, in line with what it cost, and take that tax burden off the back of the people who were not making such use of the mail. When the people completely understood my position they were in agreement with it, and felt that it was a sound position to take.

Let us look at the economy feature, Mr. President. My amendment will help the average American citizen. On the other hand, if anyone would like to economize by making the Post Office pay for

itself, let us increase the rate on pieces of mail that do not pay their way. Let us get at third-class mail. Do Senators know that if I were in the mercantile business I could send out millions of letters by third-class mail, advertising that I had a shirt to sell or a suit of clothes or something of that sort to sell in the mail-order business, and the Government would pay more than half of the expenses? I could send out \$100,000 worth of mail third class, and the Government would lose \$100,000. Do Senators know that if I am running for office, I can send out hundreds of thousands of letters in that category and the Government has to pay half the cost? Do Senators know that in second-class mail, newspapers and magazines, which are in business primarily to make money, as the Senator from Indiana suggests, are costing the Government \$200,000,000 a year? They pay \$45,000,000, and it costs the Government about \$250,000,000 to deliver their second-class mail. \*Those are the classes of mail we ought to get at and raise the rates on, if we really want to save money.

But now we have a proposal to raise the rate on postal cards from 1 cent to 2 cents. We can subsidize things for which a subsidy can be justified. What are they? One is charitable organizations. I believe if an institution or organization wants to raise funds for the prevention of cancer or heart disease or funds for orphan children, if it is a tax-exempt organization, approved by United States Government and recognized under the Internal Revenue Code, and therefore exempt from certain Federal taxes, that is a sufficient test and they should be exempt from paying 2 cents for the postal cards they use. That is in a way subsidizing a charity, and I would approve of subsidizing charities a little bit, as we now subsidize the press. We would subsidize also some people who might want to send penny postal cards. I know that some people feel that the New Deal has done so much for the American people that there are no poor people left. They are making a mistake. There are still many people who would like to have a penny post card.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. LANGER. To give the exact number, there are 11,000,000 underprivileged who are receiving less than \$2,000 a year.

Mr. LONG. I am not certain that that is the exact number, but I have such a high respect for the Senator from North Dakota that I believe he would know how many there are.

Mr. MALONE and Mr. UNDERWOOD addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Louisiana yield, and if so, to whom?

Mr. LONG. I shall be glad to yield in a moment.

Mr. President, this amendment would do no harm. The only sound objection which has been raised has been offered by the Post Office Department, which has suggested that it might require some additional clerical work. I suggest to



them that the simplest test in the world as to whether a postal card is being used for advertising or for private correspondence is whether or not it has been printed. The untrained eye can tell what comes off a mimeographing or multigraphing machine. If the card has been printed, mimeographed, or multigraphed, the probability is that it contains some form of advertising. On the other hand, if it has been written by hand or typed, it would not be that kind of correspondence.

This is a case in which the average American citizen can be saved some money. The postal card is one of the few things which he can buy for a penny. This saving can be made at a very small cost by simply prohibiting those who have taken advantage of a privilege not intended for them from using it in that fashion.

I now yield to the Senator from Nevada.

Mr. MALONE. Mr. President, after having listened to a considerable amount of debate, I should like to ask the distinguished Senator from Louisiana a question. Various estimates have been made as to the cost of delivering a penny postal card. Such estimates have been made without furnishing any supporting data. It has been said that it costs 2.8 cents. How many postal cards are sent in the United States? Is the quantity computed by weight, or by number of pieces of mail? How are these data arrived at, to which we have been listening so carefully for 2 or 3 days?

Mr. LONG. I can only tell the Senator that the best estimate I have been able to get from the Post Office Department is that there are about 4,000,000,000 penny postal cards mailed every year. As to whether or not that is the actual number, I cannot say. I believe that the Department probably takes the number of pieces of mail handled and attempts to prorate the cost according to some formula.

Mr. MALONE. We have the word of the Post Office Department for that.

Mr. LONG. Yes.

Mr. MALONE. Does the Department say whether the estimate is based on the number of pieces of mail, or the weight of the postcard as balanced against the weight of the average letter? How is it computed?

Mr. LONG. I regret to say that I do not know. If the Department had told me how the estimate was arrived at, I would not have been qualified to judge whether that was the best way to arrive at it or not. So far as I know, responsible authorities in the Post Office Department think that 2.8 cents is about what the cost is.

Mr. MALONE. Mr. President, will the Senator yield while I ask for information from the distinguished chairman of the committee?

Mr. LONG. Mr. President, I yield the floor.

Mr. JOHNSTON of South Carolina. Mr. President, speaking of the number of pieces of mail, and so forth, according to a report the Department received last year from postal cards \$4,740,000. That is at the rate of 1 cent each.

Mr. MALONE. What did they weigh?

Mr. JOHNSTON of South Carolina. Postal cards are not weighed. They are handled just as letters are handled. Some letters weigh more than others, but a uniform rate is charged, up to a certain weight.

Mr. MALONE. Do not the railroads charge by weight? How is this whole thing computed.

Mr. JOHNSTON of South Carolina. Some postal cards go by railroad and some do not. Some are delivered at the post office.

Mr. MALONE. That is a debatable question. On what basis are the contracts let, and how are the carriers paid for the transportation of first-class mail?

Mr. JOHNSTON of South Carolina. There are various ways to do that. Of course, we have the star routes, on which bids are asked. We try to award them to the lowest bidder. Sometimes the Department finds that it cannot get bidders, and it must get someone to carry the mail under contract.

Mr. MALONE. I understand that; but how is the cost of transporting the mail figured? Is it on the basis of weight, or number of pieces, or what?

Mr. JOHNSTON of South Carolina. The Post Office Department has a very complicated cost-ascertainment system.

Mr. MALONE. I judge so. I have never heard anyone describe it.

Mr. JOHNSTON of South Carolina. It is something with respect to which the Members of the Senate have not been able to agree with the Department.

Mr. MALONE. That I understand.

Mr. JOHNSTON of South Carolina. We have had experts testify before us, and the estimates as to the charge which should be made against one class or another class of mail vary sometimes as much as 50 percent. When we come to the question of cost ascertainment, that is a very complicated question.

Mr. MALONE. I understand.

Mr. JOHNSTON of South Carolina. The Post Office Department uses a cost-ascertainment formula.

Mr. MALONE. What does it use?

Mr. JOHNSTON of South Carolina. What does it use?

Mr. MALONE. Yes. What is the criterion? How do they separate postal cards from first-class mail or letters? How do they arrive at the cost figure of 2.8 cents?

Mr. JOHNSTON of South Carolina. They claim that it costs the same to deliver a postal card as it does to deliver first-class mail. It is handled in the same way.

Mr. MALONE. In other words, it costs just the same to deliver a postal card through the mail transportation and delivery system as it costs to deliver a letter. Is that true?

Mr. JOHNSTON of South Carolina. Both kinds of mail are handled by the same letter carrier. Both kinds of mail are handled by the same employees. Although some letters weigh more than others, so far as a piece of mail is concerned, it costs just as much to deliver one kind as another.

Mr. MALONE. Does it cost just the same under the contract with the car-

riers to carry the various pieces of mail? In other words, is the cost computed by weight, or is it based upon an average?

Mr. JOHNSTON of South Carolina. For the information of the Senator, when cars are rented from the railroads, so much space is rented. Sometimes it is used and sometimes it is not.

Mr. MALONE. Does a postal card take up as much space as the average letter?

Mr. JOHNSTON of South Carolina. I should say not.

Mr. MALONE. Can the Senator give us some criterion as to how the Department arrives at the cost of a letter as 4 cents and the cost of a postal card as 2.8 cents, and the cost of something else at some other figure?

Mr. JOHNSTON of South Carolina. Take a letter. Some letters require more than 3 cents postage.

Mr. MALONE. If they weigh more than an ounce.

Mr. JOHNSTON of South Carolina. If they weigh more than 1 ounce there is an additional charge.

Mr. MALONE. The junior Senator from Nevada understands about that.

Mr. JOHNSTON of South Carolina. But the postal card does not weigh more than an ounce, and so the rate remains at 1 cent.

Mr. MALONE. In other words, the Senator makes no distinction between a postal card which weighs a very small fraction of an ounce, and cannot weigh more, and a letter, which may weigh an ounce or more?

Mr. JOHNSTON of South Carolina. There is no change in the postage required on a letter unless it exceeds 1 ounce in weight. If a postal card is placed in an envelope, it weighs more.

Mr. MALONE. No; let us consider the postal card—

Mr. JOHNSTON of South Carolina. Take a postal card. If it weighs more than an ounce, there is an extra charge, just as there is in the case of a letter.

Mr. MALONE. The distinguished Senator from South Carolina knows as well as does the junior Senator from Nevada that a postal card weighs only a fraction of an ounce, so that is evading the question.

Mr. JOHNSTON of South Carolina. I am not evading the question at all.

Mr. MALONE. Then the Senator does not understand it. That is obvious.

Mr. JOHNSTON of South Carolina. There is a cost-ascertainment system in the Post Office Department. The Department has gone into that subject and has spent not only hours, but weeks and months in the study of costs.

Mr. MALONE. What is its system?

Mr. JOHNSTON of South Carolina. The Department has stated that it costs 2.8 cents to deliver a postal card.

Mr. MALONE. We have heard Government employees testify many times. It all adds up to what they want. They have an objective. But can the Senator tell me what the system is?

Mr. CARLSON. Mr. President, will the chairman yield to me?

Mr. MALONE. I have the floor, Mr. President. I am very happy to yield.

Mr. JOHNSTON of South Carolina. I yield to the Senator from Kansas.



Mr. MALONE. I have the floor.

Mr. JOHNSTON of South Carolina. No; I have the floor.

Mr. MALONE. Mr. President, have I the floor?

The PRESIDING OFFICER. The Senator from South Carolina has the floor.

Mr. MALONE. Then I shall discuss the question in my own time.

Mr. CARLSON. With regard to the point under discussion, it so happens that I asked the question during the hearings as to what the cost-ascertainment program was, and how costs were arrived at in the Post Office Department. I do not happen to have the statement of the Post Office Department officials, but I asked that question of Mr. William C. Doherty, president of the National Association of Letter Carriers. He was accompanied at the hearing by a Mr. Keating. I read from page 112 of the hearings:

Senator CARLSON. Mr. Chairman, I would like Mr. Doherty to explain to me—it would be very helpful at least to one member of the committee—something about the cost-ascertainment method used by the Post Office Department. How do they arrive at the cost ascertainment? I presume we have some post offices in the United States that show profits on the basis of receipts and expenditures, and then of course we have some large numbers that do not. I realize they cannot be profitable because the Post Office Department is a service organization.

Mr. DOHERTY. We have a cost-ascertainment expert in the person of Secretary Keating. If you have no objection, I would like to defer to Secretary Keating on the question of cost ascertainment.

Senator CARLSON. That would be up to the chairman.

The CHAIRMAN. Mr. Keating, we will be glad to hear from you on cost ascertainment.

Mr. KEATING. The process of arriving at any accurate cost is very difficult indeed. The Department has a very difficult problem. Now, in arriving at a figure they use statistics and they use a sort of sampling method to determine the cost of various classes of mail. There are a certain number of offices that are selected for a cost-ascertainment study. The receipts of the office are analyzed, and as to the mail handled, there is an attempt made to break down the various classes of mail carried through this sampling method of analyzing the financial statistics on the receipts of the office.

In other words, they select certain offices in various sections of the United States, and they set up a cost-ascertainment program. They allow so many points for a letter, so many points for a magazine, and so many points for a letter, so many points for a magazine, and so many points for a post card, for example, and charge up the cost on the basis of points. That is how it is arrived at.

Mr. JOHNSTON of South Carolina. I thank the Senator from Kansas. I believe he will agree with the statement when I say that we did not always agree with the Department in its method of ascertaining the figures which they would bring before us. For that reason we found it very hard to reach the same conclusion that they had reached on many points. We have a section in the bill which sets up a special committee to study the subject of ascertainment of

cost, in order to find out whether any adjustment in the figures should be made, and whether any increase should be made in the amounts being paid by the various people being served by the Post Office. We have had before us the problem which the Senator from Nevada has raised.

Mr. CARLSON. Mr. President, will the Senator yield further?

Mr. JOHNSTON of South Carolina. Yes.

Mr. CARLSON. I should like to confirm what the chairman of our committee has stated. There is a great deal of doubt in the minds of many of us as to the methods used. We should like very much to spend a great deal of time in studying the cost ascertainment methods, to see whether the Post Office Department is using a system which is fair to the various types of mail and in the distribution of the mail.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. LANGER. The Senator, of course, knows that in committee the Senator from North Dakota voted—and I believe he was the only one—against an increase of 100 percent on postal cards. Does not the Senator believe, in view of the suggestion made by the Senator from Kansas [Mr. CARLSON], and in view of the fact that a study is to be made to ascertain the correct cost figures, that we should not increase the postal card rate until we find out what the actual cost is?

Mr. JOHNSTON of South Carolina. That is one reason why we did not increase the rate more than we did. We did not go to the limit. We went only up to 2 cents, instead of 2.8 cents. We wanted to get some revenue, and that was the reason why we stayed at 2 cents, rather than go to 2.8 cents. Besides, it would have been difficult to have a stamp for 2.8 cents.

Mr. LANGER. Before any study was made the committee voted a 100 percent increase. Is that correct?

Mr. JOHNSTON of South Carolina. Yes.

Mr. IVES. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. Yes.

Mr. IVES. I should like to inquire of the distinguished Senator from South Carolina as to the cost of mailing, we will say, a letter whose weight does not exceed 1 ounce. Was that figured out? It is stated that the cost is 2.8 cents for a postal card. How much is it for a letter?

Mr. JOHNSTON of South Carolina. It is somewhere around the same figure. Perhaps it is a little bit more. If the Senator from New York is speaking of a card which the Government prints, the cost of the card is figured in that amount. The Government sells the card with the stamp already printed on the card.

Mr. IVES. What is that cost?

Mr. JOHNSTON of South Carolina. It would cost somewhere between three-tenths and four-tenths of a cent.

Mr. IVES. Above the 2.8 cents?

Mr. JOHNSTON of South Carolina. No. It is part of the cost. It is included in the cost. The Government must pay somewhere around three-tenths of 1 cent on each post card.

Mr. IVES. So the cost is about 2½ cents, net, when the Government does not pay for the card?

Mr. JOHNSTON of South Carolina. Yes.

Mr. IVES. Does the Senator from South Carolina have any figure on the cost of handling a sealed first-class letter, whose weight is not above 1 ounce? Is that about 2.8 cents?

Mr. JOHNSTON of South Carolina. It would be somewhere in that neighborhood.

Mr. IVES. The Senator from South Carolina does not have any figures on that?

Mr. JOHNSTON of South Carolina. No.

Mr. IVES. The reason I am asking these questions is because in the amendment which has been offered by the Senator from Louisiana [Mr. LONG] a differentiation is made as to classification. While I am not quarreling on that point with the Senator from Louisiana—and there may be considerable merit to his contention—I wish to suggest that it would seem to be highly unfair to make that kind of differentiation as between a postal card and a sealed letter, which is confidential and cannot be seen by the public. The committee is not making any such variation at all. The full 4 cents is charged for something on which the cost of handling is far less than 4 cents.

Mr. LONG. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. Yes.

Mr. LONG. As a matter of fact, is it not correct to say that the rate will be 1½ cents for a card, which goes through the mail unsealed, and that there is a difference, because if a letter goes unsealed one must at least buy the stationery and the envelope, whereas if the communication is in the form of a postal card, the postal card is furnished at Government expense. Therefore the paper has already been paid for. If the Senator from New York will check into the matter I believe he will find that it would be cheaper to mail the communication in the form of a penny postal card than it would be to send it in the form of third-class mail.

Mr. IVES. That is not the point I am raising.

Mr. LONG. Even at 2 cents, I may say.

Mr. IVES. That is not the point I am raising. We are talking about mail which is open to public inspection, or any other kind of inspection, and about which there is nothing confidential at all. The point I am raising is in connection with first-class mail, which is sealed, and does not weigh over 1 ounce. The charge for that is to be 4 cents. For a letter, which is not open to inspection, it will cost four times as much as for a card, which anyone can see. It seems to me that if we are to differentiate in the case of postal cards we should differentiate to some extent with reference to



first-class mail, in particular where the information contained is confidential and cannot be observed by anyone.

Mr. LONG. I do not see how in the world anyone could send a confidential message on a penny postal card unless he used invisible ink.

Mr. IVES. I am not talking about sending a confidential message on a penny postal card. I am talking about a letter.

SEVERAL SENATORS. Vote! Vote!

#### INCREASE IN COST OF POSTAL SERVICE

Mr. MALONE. Mr. President, I should like to explore further the method of cost ascertainment with respect to a penny postal card, particularly with reference to the point brought up by the Senator from Kansas [Mr. CARLSON]. During the hearings the Senator from Kansas asked the following question:

Senator CARLSON. Mr. Chairman, I would like Mr. Doherty—

Mr. Doherty is the president of the National Association of Letter Carriers; he has nothing to do with the Post Office Department. He was accompanied by Jerome J. Keating, national secretary of the association, and R. B. Kremers, national assistant secretary of the association.

We are dealing with persons entirely outside the Post Office Department. No evidence has been cited in the debate that the Post Office Department ever explained their method of cost ascertainment. If they did, the junior Senator from Nevada has been unable to find the testimony.

Mr. LANGER. Mr. President, may we have order? I cannot hear the junior Senator from Nevada.

The PRESIDING OFFICER. The Senate will be in order.

Mr. MALONE. I read further:

Senator CARLSON. Mr. Chairman, I would like Mr. Doherty to explain to me—it would be very helpful at least to one member of the committee—something about the cost-ascertainment method used by the Post Office Department. How do they arrive at the cost ascertainment? I presume we have some post offices in the United States that show profits on the basis of receipts and expenditures, and then of course we have some large numbers that do not. I realize they cannot be profitable because the Post Office Department is a service organization.

Mr. DOHERTY. We have a cost-ascertainment expert in the person of Secretary Keating. If you have no objection, I would like to defer to Secretary Keating on the question of cost ascertainment.

Senator CARLSON. That would be up to the chairman.

The CHAIRMAN. Mr. Keating, we will be glad to hear from you on cost ascertainment.

Mr. KEATING. The process of arriving at any accurate cost is very difficult indeed. The Department has a very difficult problem. Now, in arriving at a figure they use statistics and they use a sort of sampling method to determine the cost of various classes of mail. There are a certain number of offices that are selected for a cost-ascertainment study. The receipts of the office are analyzed, and as a to the mail handled, there is an attempt made to break down the various classes of mail carried through this sampling method of analyzing the financial statistics on the receipts of the office.

The greatest fault of the cost-ascertainment system, in my opinion, is it analyzes the cost of the Post Office Department according to the costs of the various types of mail. The only other items that are given any consideration are what are referred to as subsidy items.

The actual cost of handling the mail, of course, is done on a sampling basis and it is not entirely accurate, because, as we pointed out, it ignores completely the service angle. Fundamentally, the American Government has always been built on the principle of extending service to the people. In the early days we policed the country and, of course, we could extend service to Alaska just on the basis of general welfare to everybody.

Your cost-ascertainment system does not take into consideration the fact that a magazine, for example, that is mailed in Philadelphia, to be delivered in Philadelphia is delivered for a couple of cents, and if it is sent up to some place in Alaska it may cost 75 cents to handle that one piece of mail. It merely does it on a quantitative basis, without any differentiation between the different offices, but they do take a sampling from the first-, second-, third-, and fourth-class offices.

#### NO DISTINCTION BETWEEN LETTER AND CARD

Mr. President, I wish to point out that there is no distinguishing characteristic between a postal card and a letter in connection with the sampling; both are handled as first-class mail, and in the sampling no attempt is made to distinguish between the number of postal cards and the number of letters which are included in the first-class-mail category. All the debate we have had would give the Senate the impression that the Post Office Department has some idea of the number of postal cards and the number of letters which are delivered, and that there is some distinguishing mark in the regard to the weight or the number delivered in each case, so that the Post Office knows how many of each it was handling. However, I point out that there is no such method of sampling and apparently nothing is known about it.

I read further from the hearings:

The breakdown itself is not scientific. The carrier working the mail cases the mail and the clerk making the cost ascertainment is working with him, and as he takes the mail out of his case at each stop on a route he calls off the type of mail that he has for that stop.

I point out that in that process the carrier simply states the type of mail he has for each stop; he states whether the mail is first class, second class, third class, or fourth class, and not whether it is composed of letters or postal cards and, if so, how many of each. In mail may include both letters and postal cards, but the carrier simply says that the mail is first class.

I read further from the hearings:

That is not entirely accurate, because he could have five letters and two circulars, but the report shows only circulars and first class.

Senator CARLSON. On that delivery, let us get down to cases, let us go out to the rural route and let us say the carrier has three letters for a certain stop, do they have points for each letter?

Mr. KEATING. No; they check it off according to the number of stops and the types of mail that he has for those stops and then make a division, arbitrarily, between the particular types of mail at each stop.

Again I point out, Mr. President, that in that connection there is no distinction between the types of first-class mail, that is to say, as between post cards and letters. Therefore, the Post Office Department has no idea of what it costs to deliver a post card, in terms of weight or anything else.

I read further from the hearings:

Senator CARLSON. Here comes a carrier and he has letters, he has second-class mail and he has parcel post, do you allocate percentage points to each type of mail?

Mr. KEATING. They go through the whole route. For example, suppose he had 300 stops on the route, they go through the route, they check each stop as to first-class mail, circulars, and parcel post.

Those three classes are checked, but still no mention is made of post cards as related either to weight or to number.

I read further from the hearings:

They do not make an exact count, however, but they show each stop had a certain class of mail and they get a bulk figure on the percentage cost of mail.

They do not even note the number of pieces of mail; but at each stop they simply note the different classes of mail they have to deliver there.

He also testified:

They have made some recent changes in the cost-ascertainment method.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. MALONE. I am very happy to yield to the distinguished Senator from Kansas.

Mr. CARLSON. The Senator from Nevada has brought up a point which it was very evident at the hearing was causing us some concern, namely, the cost-ascertainment method. That is one reason why I submitted, in connection with this bill, an amendment calling for a complete study of the cost-ascertainment system and of other phases of the Post Office Department's operations, particularly in regard to the rates, and having in mind that such a study probably would call for changes in order to make the Post Office Department into an organization which will effectively serve our people.

It is my sincere hope that Congress will approve the making of such a study, which I think is badly needed, as has been brought out by the testimony and the debate. All the members of the committee realized that there are some difficult problems in connection with the Post Office Department.

#### THE SAVINGS RECOMMENDED BY HOOVER REPORT

Mr. MALONE. Mr. President, without going into detail as to the problems of the Post Office Department, let me point out that Herbert Hoover, the Chairman of the so-called Hoover Commission, which was created by the Eightieth Congress, reported that tremendous savings could be made in connection with the operation of the post offices.

However, I point out now that nothing has been done about that study and those recommendations. No attempt has been made by the Postmaster General to make such savings or to improve



the equipment or to do any of the other things which were pointed out by the Hoover Commission.

On the contrary, immediately the Postmaster General stopped some of the service. Of course, Mr. President, whenever a request for economy is made in connection with any Government department, the first thing that is done by that department is to decrease the service it has been rendering, and to decrease it at such points as to hurt the most people, namely, in the isolated areas of the country where the service is most necessary.

Mr. President, it will be recalled that approximately 4 years ago the Republican Congress reduced some of the appropriations for the Bureau of Internal Revenue. The first thing the Bureau of Internal Revenue did thereafter was to lay off many of the customs collectors at San Francisco, New York, and other locations where the bulk of the revenue is collected.

The Bureau did not lay off any of its employees in its office in Washington, but the Bureau laid off many of the collectors who were trying to collect the revenue needed for the running of the Government. They struck where the public would feel the most severe shock. Immediately reams of propaganda were issued by the Bureau of Internal Revenue and other agencies of the Government, in connection with the appropriation reductions made by that Congress, saying, "Just see what the Republicans are doing to the country. They are causing the discharge of the employees in the important offices over the country, and perhaps at the same time the administration is employing even more persons in Washington."

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. LANGER. Let me say that some time ago the President appointed an advisory committee, consisting of seven persons. It is my information that in all the months and months and months since its creation, that advisory committee has met just once, and that one meeting was for the purpose of the organization of the committee. That meeting was held in Washington.

I agree entirely with what the distinguished Senator from Nevada has said, namely, that although the Hoover Commission made it plain how millions of dollars could be saved in connection with the operation of the post offices, up to the present time the Postmaster General has not put a single one of those recommendations into effect. However, he has issued an order causing a serious decrease in the service in connection with the delivery of mail.

I have been interested to note some of the Senators who voted against the restoration of the service. I am very curious to see how some of the Senators from farm States—I noticed that several of them voted against the proposal for restoration of the delivery service—will explain their votes to a farmer who goes to town on Saturday afternoon and tries to get his mail at the post office, but is told, "You cannot get it now. Wait un-

til the rural mail carrier delivers it to you on Monday"—even though that farmer may be expecting some important mail. That is the kind of service the farmers of our country are getting at the present time. I hope some of those farmers will ask that question of some of the Senators who a short time ago displayed their opposition to the proposed restoration of the delivery service, as was shown clearly by the ye-and-nay vote which was taken. I am glad we have the record of that vote.

If the people ask for an explanation of why a farmer cannot get his mail on Saturday afternoon, but has to wait for the delivery of an important letter all Saturday afternoon, Sunday, and perhaps until Monday evening sometime, provided there is no snow on the ground and the mail carrier can get through, and the farmer can get his mail on Monday night—if the people ask for an explanation of that, they should be told to examine the record of the vote to see which Senators voted to curtail the service.

Mr. MALONE. Mr. President, I have in my hand a report from the chairman of the Commission on Organization of the Executive Branch of the Government transmitting the Commission's Report on the Post Office Department. It is House Document No. 76, published February 17, 1949. On page 3 of this pamphlet, opposite a page on which a chart entitled "Post Office Deficits" is shown, appears the following:

WHAT IS WRONG WITH THE POST OFFICE?

(a) The administrative structure is obsolete and overcentralized.

(b) A maze of outmoded laws, regulations, and traditions freezes progress and stifles proper administration.

(c) Although the Post Office is a business-type establishment, it lacks the freedom and flexibility essential to good business operation.

(d) Rates have not kept pace with wages and other costs, and rate-making machinery is inadequate.

(e) The service is used to hide subsidies.

(f) Political appointment of first-, second-, and third-class postmasters and certain other officials produces inefficiency and militates against the incentives of promotion.

(g) Accounts are kept by the General Accounting Office outside the Department and

are available to the Post Office for management purposes only after months of delay. Methods of budgeting and appropriation are entirely unsuited to a business of the size and character of the Post Office. The pressure of these forces in a rapidly growing business accumulates to make impossible the most economical and efficient conduct of the service.

(h) In recent times, except for a few years, the Post Office Department has operated at a loss. In 1948, only the first-class mails, certain categories of foreign mails, and the Postal Savings System more than met their own expenses.

In 1947, the total deficit was \$263,000,000, or 20 percent of the revenues.

In 1948, the total deficit was \$310,000,000, or 22 percent of the revenues.

In 1949, the total deficit will probably exceed \$500,000,000, or more than 30 percent of the revenues.

There is as yet insufficient information to analyze the estimated deficit for the fiscal year 1949. The deficit of \$310,000,000 for the fiscal year 1948 resulted after deducting about \$190,000,000 from profitable services, leaving a loss on the other services for that year of over \$500,000,000. The accompanying table shows the division of profit and loss for the major services during the year.

These deficits have been created by circumstances mostly beyond the control of officials in the Post Office Department, and can be remedied only by strong and courageous action.

Mr. President, in connection with the proposed departmental reorganization, it would be very interesting to the Senate, or at least it should be, to know which of these recommendations have been followed, before we begin at the bottom to interfere with the penny post card, which represents a good deal of money to a rural home, where there are children to support; and on this grand scale of printing the money for the past 15 years, so that now the dollar is worth, according to the estimates, from 43 cents to 55 cents on the dollar.

Mr. President, a table appears on page 5 of the pamphlet. I ask unanimous consent that, beginning with the table on page 5, the entire letter, to and through recommendation No. 9, on page 17, be printed in the RECORD at this point in my remarks.

There being no objection, the table and letter were ordered to be printed in the RECORD, as follows:

Fiscal year 1948<sup>1</sup>

	Receipts	Cost	Percent of total costs	Gain or (loss)
<b>MAIL</b>				
First class.....	\$669,003,080	\$517,916,006	30.0	\$151,087,074
Air mail, domestic.....	53,601,798	85,627,195	5.0	(32,025,397)
Second class, paid.....	41,201,211	196,379,109	11.4	(155,177,898)
Third class.....	111,528,491	199,202,180	11.6	(87,673,689)
Fourth class.....	272,602,334	343,170,345	19.9	(70,568,011)
Foreign, other than air mail.....	71,894,438	72,104,394	4.2	(209,956)
Air mail, foreign.....	24,231,519	45,669,573	2.6	(21,438,054)
<b>SPECIAL SERVICES</b>				
Registry, paid.....	23,590,349	32,552,479	1.9	(8,962,130)
Insurance.....	14,967,377	16,634,807	1.0	(1,667,430)
Collect on delivery.....	16,883,757	23,363,960	1.4	(6,480,203)
Special delivery.....	17,977,912	30,153,613	1.7	(12,175,701)
Money order.....	34,149,826	64,982,570	3.8	(30,832,744)
Postal notes.....	3,711,050	7,602,003	.4	(3,890,953)
Postal savings.....	27,381,400	8,297,888	.5	19,083,512
Unassignable (including box rents).....	28,294,686	6,704,802	.4	21,589,884
Total revenue-producing mail and special services.....	1,411,019,288	1,650,360,924	95.7	(239,341,636)

Footnote at end of table.



Fiscal year 1948<sup>1</sup>—Continued

	Receipts	Cost	Percent of total costs	Gain or (loss)
FREE CATEGORIES				
Free in county (second class).....		\$10,700,000	0.62	(\$10,700,000)
Penalty.....		31,630,000	1.8	(31,630,000)
Franked.....		955,573	.06	(955,573)
Free for the blind.....		355,935	.02	(355,935)
Registry, free.....		7,439,203	.4	(7,439,203)
OTHER				
Nonpostal services.....	3,426,002	\$22,352,645	1.8	(18,926,643)
Grand total, all operations.....	1,414,445,290	1,723,795,153	100.0	(309,349,863)

<sup>1</sup> Preliminary figures, subject to adjustment.

#### PROPOSED DEPARTMENTAL ORGANIZATION

We have urged in our first report that the foundation of good departmental administration is authority from Congress for the Postmaster General to organize and control his Department. Separate authorities to his subordinates should be eliminated.

Under our recommendations, made elsewhere, we propose a new form of performance budget.<sup>1</sup> We propose that the Department keep its own administrative accounts as prescribed by an accountant general in the Treasury and subject to an approval of such system by the Comptroller General and audit by him.<sup>1</sup> The Commission also recommends that all personnel recruitment should be decentralized into the Department (except possibly in the lower grades), subject to standards and methods of merit selection to be proposed by the Department, but with the approval and enforcement of the Civil Service Commission.<sup>2</sup> The Commission likewise recommends elsewhere that procurement of supplies should be decentralized into the Department with the exception of items of common use to all Departments but under standards and methods established by the Office of General Services.<sup>3</sup> Further, we propose that the Department should strengthen its management research unit, working in cooperation with a comparable staff unit under the Office of the Budget.<sup>4</sup>

We have in addition a number of specific changes to be made in the Post Office Department.

#### MANAGEMENT STRUCTURE

Recommendation No. 1: We recommend that the Postmaster General should remain a Cabinet officer appointed by the President and confirmed by the Senate, but should not be an official of a political party, such as chairman of a national committee.

He should be relieved from the details of day-to-day operating duties and should be free to determine departmental and public policies.

Recommendation No. 2: We recommend that there should be a director of posts under the Postmaster General who should be appointed by the President without term and confirmed by the Senate.

He should be an experienced executive, preferably chosen from the service. He would be the operating head of the Post Office.

Recommendation No. 3: We recommend that the postal service should be decentralized into 15 regions under regional directors of posts and district superintendents.

Regional directors would direct all transportation in the region and the activities of the district superintendents who would have supervision over all post offices in a prescribed area.

The line of authority should run from the Postmaster General through the director of

posts to the regional directors and thence to the district superintendents.

Recommendation No. 4: We recommend that there should be appointed by the President a national board of seven advisers serving part time and representing the different elements of the public.

Their duties would be advisory as to methods and policies. They should be unpaid except for a fee for attendance. In addition, the Postmaster General should serve ex officio as chairman of the advisory board and the director of posts ex officio as vice chairman.

#### CAREER POSTMASTERS

The Post Office should be taken out of politics.

Of the 470,000 persons employed, over 22,000 are in fact politically appointed. They are the strategic positions of first-, second-, and third-class postmasters and some top officials.

Under Presidential orders beginning in 1932, and now under a law passed in 1938, the selection of candidates for postmasters has been limited to a list approved by the Civil Service Commission based upon merit examinations. This method has lessened the appointment of unqualified officials. However, the choice from the list usually results in appointments from the political party in power. A deleterious effect has been to create a political barrier to promotion within the service and thus deprive it of a great incentive to good work.

Recommendation No. 5: We recommend that the confirmation of postmasters by the Senate should be abolished.

The primary responsibility for personnel selection and management other than the Postmaster General and the Director of Posts should rest in the service. The Post Office Department is alone able to determine and find the skills required. The selection of postmasters should be, as far as possible, from the local community and in consultation with community leaders. We have stated above that all selections of personnel should be subject to merit standards set by the post office and approved by the Civil Service Commission and subject to enforcement by that body.<sup>5</sup>

And we have proposed a reorganization of the Civil Service Commission which would make practicable the establishment and enforcement of such standards.

Our purpose is a career service based upon merit selection with the widest opportunity for promotion as its objective.

#### BUDGET, ACCOUNTING, AND AUDIT

The whole accounting and administrative problem of the postal service is confused by the present form of the budget. Currently the service is operated under 58 separate appropriations, each of which must be independently justified by the Department, reviewed and approved by the Congress, and apportioned to individual post offices for each quarter by the Bureau of the Budget. Indi-

vidual appropriations for 1948-49 ranged from \$3,000 to over \$500,000,000 in such vertical classifications as "clerks, first- second-class post offices," "village delivery service," and "carfare and bicycle allowance."

Every dollar spent must be charged against a specific appropriation, and transfers from one account to another—even in the case of exhaustion of funds—is permitted only within certain narrow limits. As a result, the postal management is unable, for example, to operate any post office as a fiscal unit, but must concern itself with the expense of separate activities within the office—clerks, vehicle hire, carriers—as though they were totally unrelated.

One effect of the present combined budget and accounting system is that it hampers a businesslike operation of the service.

For instance, cash books are kept in each post office, and each entry is covered by a voucher or similar document when turned in for quarterly settlement. Accounting units of the Post Office Department have only 30 days after the close of the quarter to review this mass of material from 42,000 post offices and to turn it over to the General Accounting Office, which performs the full audit, settles directly with individual postmasters, and turns its report over to the Department some 8 months after the quarter's end—too late for effective use in day-to-day and month-to-month analysis and supervision. Consequently, the Post Office Department must depend, in fulfilling its operating responsibilities and budgeting, on its own partial duplication of certain accounts and estimates of others.

The inadequacy of such a structure of accounting and budgeting becomes more apparent when it is considered that the volume of business, and hence expenses, will fluctuate with changing economic conditions. Nor can the Post Office Department alter its services to fit its budget, since it must accept whatever volume of service the public requests. The only recourse today when expenses exceed estimates is to request a supplemental appropriation from the Congress.

The present system does not permit of competent cost accounting fundamental to efficient management of a business. It is outrageously cumbersome and results in a mass of unnecessary red tape and a host of employees.

It must be recognized that the Post Office is (a) predominantly of a business nature; (b) revenue-producing and potentially self-sustaining; (c) characterized by a large number of business-type transactions with the public; and (d) in need of greater flexibility than the customary type of appropriation budget ordinarily permits.

Such a reorganization is essential to provide (a) accounting, budgeting, and auditing procedures designed to improve management's control of the business; (b) flexibility of expenditures to meet fluctuating demands for postal service and varying conditions of operation on a Nation-wide scale; (c) reasonable freedom from restrictive laws and regulations governing contracts, purchases, and personnel practices; (d) administrative authority commensurate with responsibility.

We wish to emphasize our recommendations elsewhere that the Department should keep its own accounts and make its own disbursements subject to audit by the Comptroller General and in accordance with procedures determined by the Accounting General, these procedures to be approved by the Comptroller General.

The experience of the Federal Government in many of its business enterprises has already pointed the way to the solution of these problems in the Post Office. The Government Corporation Control Act of 1945, as amended, provides for a "business form" of budget, accounting and audit, and gives modern business flexibility to the manage-

<sup>1</sup> Report on the budgeting and accounting.

<sup>2</sup> Report on personnel management.

<sup>3</sup> Report on the Office of General Services.

<sup>4</sup> Report on General Management of the Executive Branch.

<sup>5</sup> See our report on personnel management.



ment of those concerns. Already several billion dollars annually of Government business is done under those provisions.

We do not recommend that the Post Office should be incorporated under that law, as we consider that to be unnecessary.

Recommendation No. 6: We do recommend that the provisions of that law in respect to business management, budgeting, accounting, and audit be applied to the Post Office.

Such a provision will bring the Department into step with modern business methods and will not lessen Executive or congressional controls. At the same time it will provide flexibility in management, simplification of budgeting, accounting, and audit which will result in large economies.

#### INFLEXIBILITY OF THE ORGANIZATION

There are over 900 pages in detailed laws and regulations which tend generally to favor operation of the postal service as an expensive service arm of the Government, rather than as the revolving fund service which it actually is.

These provisions curtail the Department's authority over minor details, or place important powers in the hands of other agencies. They provide inadequate incentives for cost-conscious, economical operation. They limit the ability of the Department to adjust to changing commercial conditions by depriving it of flexibility, both in financial and operational activities.

Recommendation No. 7: We recommend that the laws, regulations, and other stipulations governing the service should be revised not only to bring about these structural changes but also to simplify the whole operation.

#### POSTAL RATES

Certain postal rates are fixed, not primarily to provide postal income, but as an element of public policy in the dissemination of information and in the provision of services not otherwise obtainable by the people.

It is our view, therefore, that the final determination of rates for first-class (including air mail), second-, third-, and fourth-class mail should be made by the Congress.

However, there are other services performed by the Post Office that are of primary interest to certain groups, the losses from which should not fall upon the general taxpayer.

Recommendation No. 8: We therefore recommend that the Congress should authorize and instruct the Postmaster General to make rates charged for registered mail, insured mail, money orders, postal notes, post cards, special delivery, and collect-on-delivery mail which would make each of these services self-supporting.<sup>1</sup>

On the basis of the 1948 estimates this would increase postal revenues by \$113,000,000 per annum.

A reorganized method of accounting, as mentioned later, would not only enable far more efficient conduct of the service, and afford more accurate budgeting and cost control systems, but also would form the basis upon which Congress could act with more assurance upon rates.

To provide such data to the Congress a small unit should be established in the Department to furnish Congress with information and estimates useful in rate making.

The Congress might consider the feasibility of securing recommendations on rates from, say, the Civil Aeronautics Board or the Interstate Commerce Commission.

#### SUBSIDIES

Payments to common carriers for transporting the domestic and foreign air mail are fixed by the Civil Aeronautics Board at a level to provide a subsidy to aviation. Contracts for overseas mail are also made on a

subsidy basis. These subsidies may be most desirable.

Recommendation No. 9: We recommend, however, that the amounts of these subsidies should be paid to the Post Office by open appropriation from tax funds and not imposed upon the Post Office or the mail users in this hidden manner.

By such a course, the President, the Congress, and the public may know what the amounts of the subsidies are.

Mr. MALONE. Mr. President, recommendation No. 3 reads:

We recommend that the postal service should be decentralized into 15 regions under regional directors of posts and district superintendents.

Mr. President, I have not heard that there was any serious discussion about following this recommendation, but it sounds reasonable. I have heard of no great effort to arrive at some method of taking the appointment of postmasters out of politics.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MALONE. I am happy to yield to the Senator from North Dakota.

Mr. LANGER. I am not sure that the distinguished Senator from Nevada is aware of the fact that I introduced a bill which would prevent the political appointment of postmasters, by providing that the patrons of the post office should elect the postmaster. A similar bill was introduced about 40 years ago, when former Senator Robert Owen, of Oklahoma, was a Member of this body. That bill would have taken the appointment of postmasters out of politics.

Mr. President, to permit a President to name approximately 40,000 postmasters, and to name them for life, is setting up the best political machine which could possibly be created; but if we allow the patrons of a post office to elect the postmaster, then we are decentralizing Government in Washington and putting the power in the hands of the people.

I thank the Senator for bringing this to the attention of the Senate. He is rendering an excellent service in doing so.

Mr. MALONE. I may say to the distinguished Senator from North Dakota that it will probably be another 40 years, if this keeps up, the way it is now, before any action will be taken on such a bill.

I have listened very carefully to the debate on the majority side of the aisle. Senators on that side of the aisle have not given, at least to the junior Senator from Nevada, any impression that they understood what was involved in raising the price of sending a penny post card from 1 cent to 2.8 cents, or any other raise.

Mr. WELKER. Mr. President, will the Senator yield?

Mr. MALONE. I am glad to yield to the Senator from Idaho.

#### ENGLAND'S POSTAL RATES

Mr. WELKER. Does the distinguished Senator from Nevada have any information as to the rate which the English people charge their constituents for a postal card?

Mr. MALONE. Not in detail—but in general, first-class mail in all parts of England and the Republic of Ireland

costs the sender 2½ pence for 2 ounces. Two and one-half pence are equal to 2.9 cents—they send 2 ounces of first-class mail for less than we now send an ounce—their rate per ounce is less than one-half of our rate for first-class mail.

If the people of Great Britain are to remain on our payroll permanently; if we are to pay their board bill, and if they are to come to America regularly to prove their inability to pay their debts to the United States of America, then I think we should look further before we increase our own rates. Does the Senator from Idaho have any further information on that subject?

Mr. WELKER. No. I listened to the debate yesterday, and I have listened to the discourse of the distinguished junior Senator from Nevada with respect to the number of mail deliveries a day. I notice that we are getting more than one delivery a day, at this time. I thought perhaps the Senator was familiar with the postal service in the United Kingdom.

Mr. MALONE. I thank the Senator.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MALONE. I am glad to yield to the Senator from North Dakota.

Mr. LANGER. I may say to my distinguished friend that we perhaps do not have the information respecting the postal service in England, but we have it in connection with the United Nations. The United Nations has approximately 8,000 employees, whose mail is sent without charge. It is all sent under frank, at the expense of the United States. At least, we pay 78 percent of it. So it costs them nothing.

#### ENGLAND'S DEBT

Mr. MALONE. Mr. President, diverting from the recommendations which Mr. Hoover's committee made, I should like to say that, apropos of keeping up the standard of living in England and the other 15 nations in the manner to which they would like to become accustomed, and, to a certain extent, to which they have become accustomed, due to our insane foreign policy, I should like to read from page 11220 of the CONGRESSIONAL RECORD of September 6:

Mr. Morrison will call on the President of the United States and the Secretary of State, who, incidentally, is now in San Francisco \* \* \*. Morrison, I said yesterday, will come with a briefcase full of evidence that England cannot pay the first installment on the three-quarters of a billion dollars which we loaned her. He will have evidence that they cannot even pay the interest.

If the farmers on a little irrigation project in the West, on which the Government has advanced money, were to come in and say, "Something has happened; and we cannot pay the installment on our debt to the Federal Treasury," it would be headlined in the newspapers. It would be said, "Why, the Government is putting out money for American citizens who are not repaying that money when due."

Mr. Morrison, however, will get away with his statement that Great Britain cannot repay. We will find in due time that England is in worse financial condition now than she was when we first gave her money under the Marshall plan. We will find that England cannot afford to put soldiers in the army in Europe, and that she cannot furnish money for that army, her own money, that is.

<sup>1</sup> We are informed that this recommendation already has been partially carried out.



Mr. President, possibly as a result of that statement, the dispatch may have been advanced. I do not believe it was intended that the dispatch received this morning would make the newspapers until the arrival of Mr. Morrison. This morning, in the Washington Times-Herald, there is this headline:

BRITAIN TALKS FOR DELAY ON DEBT PAY-OFF

I am sorry if I hastened this news, because it may be embarrassing to some of the folks.

I read from the dispatch:

Britain yesterday opened a financial campaign aimed at securing postponement and waiver of the \$119,400,000 payment due in December on the 1946 American gift-loan of \$3,750,000,000.

British Treasury chief Hugh Gaitskell—

Mr. CAIN. Mr. President, will the Senator yield for a question?

Mr. MALONE. I yield.

Mr. CAIN. I think I heard the Senator from Nevada refer to a gift-loan. Would the Senator indulge the Senator from Washington and other Senators by defining a gift-loan?

Mr. MALONE. For the past 20 or 30 years it has been understood that whenever we give anything to anyone outside this country, it is a gift-loan.

Mr. LANGER. With the exception of loans to Finland.

Mr. MALONE. Finland was prevented by circumstances from completing the repayment of the loan. I am talking about large amounts of money, in connection with which we have formed the habit of passing the first bill that comes to the Senate, without question. A gift-loan I would define for the distinguished Senator from Washington as any substantial loan that we make to a European nation.

Mr. CAIN. Does the Senator mean to say that a gift-loan is any loan which we make to someone else?

Mr. MALONE. Other than an American citizen.

Mr. CAIN. When it is considered to be, in fact, a gift?

Mr. MALONE. That is exactly what it is considered. The Senator from Nevada in 1948, 1949, and 1950, called it just what it has proven to be.

Mr. CAIN. When the Senator has concluded his use of the paper, I should appreciate having an opportunity to study the use of the phrase "gift-loan" in this article.

Mr. CASE. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

LOANS TO AMERICANS ARE COLLECTED

Mr. CASE. The Senator would not include as a gift-loan the old emergency feed and seed loan which has been turned over to district attorneys in this country for collection from farmers; would he?

Mr. MALONE. They are Americans. They are expected to pay their debts. Foreigners are trained by our State Department to not pay their debts.

I shall read this again, because it should be interesting to Senators who are interested in the debate:

Britain yesterday opened a financial campaign—

It was predicted by the junior Senator from Nevada at least a month and a half

ago, but it is only when a thing has actually occurred that the Senate seems interested—

aimed at securing postponement and waiver of the \$119,400,000 payment due in December on the 1946 American gift-loan of three and three-quarter billion dollars.

Mr. President, even some of the newspapers are beginning to understand that it means a gift when we send money out of the country.

I read further from the newspaper article:

British Treasury Chief Hugh Gaitskell—

That is a new name, to me—

started discussions of his country's economic troubles with Treasury Secretary Snyder and Commerce Secretary Sawyer.

Perhaps that is the reason the newspapers had not carried the news previously. Gaitskell was relatively unknown and was laying the foundation for his chief, Mr. Morrison, who would arrive later.

It is expected that the British will seek waiver of \$76,000,00 of interest payments due December 31 on the 1946 loan, and also to scale down principal payments.

Another headline is as follows:

Want 50-year extension.

I continue reading:

Under existing plans the loan was to be repaid in 50 years. The British are planning to ask that the loan be extended to 100 years.

ALWAYS MORE TAXPAYERS' MONEY TO BRIBE EUROPE

The loan was presented to Congress by the administration in 1946 with the assurance that it would restore peace by stabilizing Britain. Always the next great Government appropriation for European nations will bring peace. When peace failed to materialize, the administration proposed spending billions under the Marshall plan. Now the administration is carrying on spending under the arms-aid program.

It gets more interesting as it goes along. I had not carefully read it before.

At the time the \$3,750,000,000 loan was in Congress, critics predicted that the loan would become a gift, that Britain would not repay as promised.

I am sorry, Mr. President, that I was one of the critics—at least I was when I reached the Senate in January 1947. The bill was passed in 1946 before the junior Senator from Nevada arrived in the Senate.

Gaitskell opened a series of financial conferences, scheduled for Washington during the month, which will cover the problems of Western Europe.

This is the first problem of Western Europe—the matter of passing the payment of \$3,750,000,000 which goes to help the three mail deliveries which they have in London.

I am glad, however, that those who are in favor of cutting off 17,000 employees in the Post Office Department are on record so that there will be no question about who wants to reduce our mail service and cut off the mail carriers—the leg men who have made a profession of the mail service.

Mr. WELKER. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. WELKER. I have noted that the Senator related the service denied the American people to the discharge of 17,000 fine employees of the Post Office Department. The Senator realizes, does he not, that when the Department dismissed the 17,000 employees they also confused every post office in America, and that as a result there is confusion in the packaging of mail and the operation of the windows in all the post offices?

I was delighted to join with my distinguished friend from Nevada in an attempt to get the service restored. I desire to say for the benefit of the Senator from Nevada that since I have been on the Committee on Post Office and Civil Service the Post Office Department has been held up to me as a great institution that makes no mistakes, a perfectly wonderful institution.

In the debate of a moment ago, I heard the Senator from Nevada reflect upon certain of the operations of the Post Office Department. I wish the junior Senator from Nevada could have gone with me in February to the Territory of Alaska, whose people pay taxes just as we do in the States, and could have seen there the very splendid functioning of the great Post Office Department which is willing to do almost anything to give to the American people that which they so richly deserve! I wish to say for the benefit of the junior Senator from Nevada that the City of Anchorage in Alaska had only one drop box into which the more than 25,000 of its people could place their mail. They had to trudge through snow and rain to that one drop box; and they really have severe weather there. In the city of Anchorage they had no such thing as delivery of mail. They receive no advantage like that in Alaska. The people of Anchorage had to trudge to the little post office, the post office being about the size of a post office that will ordinarily accommodate a city of 5,000 people, and they had to line up 100 or 150 in number, in a blizzard, to ask for and obtain their mail. There were no such things as individual post office boxes in that post office. As many as eight families took their mail out of one box in Anchorage. The junior Senator from Idaho had a little bit to say about the situation that existed in Alaska with respect to mail. I think something should be done to improve that situation.

Along the line of what the Senator from Nevada has just been saying, I wish to add that it is time to disclose to the great Post Office Department which is so perfect, which wants to do away with any deficit it might have, that there are some things it should do. We do not hear anything about a deficit of the Department of the Interior, which operates in every corner of the land. Yet when the poor farmer is late in making his down payment for water, the water is shut off, and he is not extended any credit, even if the result is the ruin of his crop. My friend the Senator from Nevada has seen that happen in the arid West. While we extend the time in which Great Britain may repay the money she borrowed from us, can we not extend certain mail privileges to the farmers and citizens of America?



Mr. MALONE. Mr. President, I wish to say to the distinguished Senator from Idaho that it is the opinion of the junior Senator from Nevada—and that is the reason he is now taking the time of the Senate—that we have gotten entirely away from the idea of service through the Post Office Department.

Except for the telegraph and the radio, the Post Office Department is practically the only medium of carrying information throughout the United States of America and our possessions. I am very sorry that we have gotten entirely away from the service idea upon which the Post Office Department was initiated in the first instance, upon what is known as the postage stamp rate.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. MALONE. I will be happy to yield when I complete my sentence.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The Senator from Nevada declines to yield at this time.

#### THE POSTAGE STAMP RATE

Mr. MALONE. There are other services, such as the transmission of power, under which the Government initiated what is known as the postage-stamp rate.

When we refer to the postage-stamp rate it is well known that the postage-stamp rate means the mail will be delivered at the same rate, whether it be for a short distance or a long distance from point of origin.

Apparently we are getting away entirely from the idea of the service the postage-stamp rate indicates, just as in Alaska we are getting away from the service we are supposed to give through the Post Office Department regardless of distance.

Mr. President, I would be happy to help appropriate more money to give good service to Alaska. The junior Senator from Nevada has traveled over a considerable part of Alaska. As a matter of fact he was the one who prepared the report for the Military Affairs Committee when the Japs hit Dutch Harbor in 1942. The committee went to Nome, to Fairbanks, to Anchorage and the Aleutians. We went through Dawson Creek, and Canada to reach Fairbanks. We should give service to the people of Alaska regardless of whether that service pays off or not.

I noticed at that time that we were not giving the service to which the people of Alaska are entitled, and the statement just made by the Senator from Ohio indicates that we are still not giving such service.

I now am happy to yield to the Senator from South Carolina, the chairman of the committee.

Mr. JOHNSTON of South Carolina. Mr. President, I have listened to the speech made by the Senator from Nevada. Of course, he has brought us up to date in regard to the British loan. Yesterday he told us that he had been informed recently that the British were not going to make any payment on the loan, or pay the interest on it. If he will read the proceedings, as recorded in the CONGRESSIONAL RECORD for 1946, I believe he will find that at that time I told the

people of the United States that the British loan was nothing but a gift.

Mr. President, I am mainly interested now in trying to get the bill which is before the Senate passed, because I want something done for the postal workers. Unless we can pass the bill and take up the next bill, we shall keep the postal workers from receiving a small increase in pay. I am certain the Senator from Nevada does not want to prevent or block the Senate from taking action to give the postal workers the increase in pay they really deserve.

Mr. President, I wish to do a little more predicting. I predict that unless we pass the pending bill and pass the bill which is to follow it, we will keep the postal employees from receiving the increase in pay. I do not want to see anything done that would keep the postal employees from receiving an increase in pay, and I am certain the Senator from Nevada does not desire that. I have no objection to the Senator speaking as long as he cares to, but I do want to have the bill passed as soon as possible. I hope the Senator joins me in my desire and will cooperate to that end and work with us. After we complete the bill, we will let the Senator speak all night.

Mr. MALONE. Mr. President, I think there is little doubt that the Senator will allow me to speak.

Mr. JOHNSTON of South Carolina. I am not going to keep the Senator from speaking.

Mr. MALONE. Mr. President, I do not yield any further at this time.

Mr. JOHNSTON of South Carolina. I wanted to state for the RECORD that we should pass the bill.

#### MORE PAY FOR POSTAL EMPLOYEES

Mr. MALONE. I wish to complete the statement I had begun to make, and then I shall be glad to yield again.

Mr. President, the Democratic administration has been in power for 19 years. I have been in the Senate 5 years. This is the first time those on the other side have talked about raising the pay of the postal workers.

If the bill raising their pay does not pass now, it will be the fault of the majority and not the minority.

Mr. JOHNSTON of South Carolina. Oh—

Mr. MALONE. I intend to point out the result to the people of this country of raising our own postal rates while appropriating billions of dollars to be given to other countries to enable them to hold down their postal rates and to raise their standard of living at the expense of our own.

That is what the administration is doing. It seems to have no pangs of conscience over doing it.

If the Senator regrets that it is going to take a few minutes to debate the bill and does not like what we are doing, he can say that it is delaying passage of the bill. That is the oldest trick of the trade. Senators are in a hurry when they have something to put over on the public. Senators now have something to put over on the smaller people and want to write into the bill a provision for increase in the rate of the postal card from a penny to 2 cents. There are

people who object to that. There are people in my State who are interested in having the penny postal card retained.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. JOHNSTON of South Carolina. The amendment now pending is of interest to those people. I agree to accept the amendment. We are trying to take care of the people the Senator refers to, but the Senator is preventing us from getting to a vote on that amendment, which would take care of them.

Mr. MALONE. If the Senator wants to accept the amendment he can do so. I am not preventing it.

Mr. JOHNSTON of South Carolina. I said we would accept the amendment. We are right now waiting to take a vote on the amendment. However, as chairman of the committee, I accept it.

Mr. MALONE. The Senator may regret that I feel obliged to debate this bill, and may feel that he must prevent debate so that the 17,000 employees of the Post Office Department will not understand that the Senator favors a permanent lay-off of those 17,000.

Mr. JOHNSTON of South Carolina. No, I wish my friend to understand that I voted against that procedure. I wish the Senator would keep his facts straight.

Mr. LONG. Mr. President, will the Senator yield?

Mr. MALONE. I regret that I lumped the distinguished Senator with his colleagues in voting to discharge the 17,000 poorly paid postal employees. I yield now to the distinguished Senator from Louisiana.

Mr. LONG. Would the Senator permit us to dispose of the pending amendment, and then address himself to the bill in general? This particular amendment does not involve a postal rate increase. The amendment would actually prevent an increase in the rate on postal cards. The Senator said he would not like to see that rate increased.

Mr. MALONE. Referring again to the article in the Times-Herald of September 7, to which I have previously referred, it has been stated that Great Britain would try to evade any payment whatever on any debt which she might owe the United States. I read from the article referred to:

#### THREE-NATION TALKS SLATED

Today United States-British-France talks will get under way. These will be followed by a session of foreign ministers of the three countries next Monday. British Foreign Minister Morrison and French Foreign Minister Schuman will review whatever decisions their fiscal experts make and consider unsettled German problems.

Italian Minister of the Budget Giuseppe Pella met with Snyder yesterday on easing the worsening Italian dollar situation. Other fiscal conferences are set for later in the month.

That is a very fine phrase, Mr. President. I call the attention of the Senate particularly to this fine phrase:

Italian Minister of the Budget Giuseppe Pella met with Snyder yesterday on easing the worsening Italian dollar situation.

That would be a very fine phrase for a person here who owed a bank money to use. If he should go to the bank and



say, "I am here to ease the worsening dollar situation," I do not know just how one of our American banks would consider such a proposal, but it is worth trying, since it is so successful with the Secretary of the Treasury.

To continue with the article:

After his meeting with Snyder yesterday, Gaitskell said: "I shall meet with Snyder again Friday afternoon to discuss various financial questions of mutual interest to Great Britain and the United States and also the financial questions to be discussed at the meeting of the International Bank and Monetary Fund."

I understood that there was a request for a billion dollars extra for the Import-Export Bank, to be loaned to European nations in lieu of the \$1,000,000,000 trimmed from the foreign-aid bill. It was trimmed from eight and one-half billion to something less than seven and one-half billion.

Mr. WELKER. Mr. President, will the Senator yield?

Mr. MALONE. I am very happy to yield to the Senator from Idaho.

Mr. WELKER. Because of the fact that I have the greatest respect for our distinguished chairman, and because of the fact that I must leave on an airplane in about an hour, I beg of my dear friend from Nevada that he consent to yield, under a unanimous-consent agreement that he shall not lose the floor, so that we may dispose of the pending amendment, which, in my opinion, is another attempt to chisel upon the American people. The committee raised the rate on postal cards, the 3-cent postage rate, and the air-mail postage rate.

I am sure the Senator from Nevada knows what it meant to us in the Northwest when the air-mail rate was raised to 8 cents. We lost our only feeder airline in Idaho, which carried people and mail a thousand miles on regular schedules. By the pending amendment we are cutting down on the use of postal cards. As soon as we adopt this amendment, I suppose, we shall commence to chisel on the 3-cent stamp, which it is proposed to increase to 4 cents. When that happens, I want to argue about the 8-cent air-mail stamp.

I am sorry to have interrupted my friend. I should like to see how far these amendments are going.

Mr. MALONE. The junior Senator from Nevada has about completed his argument. It would have been completed before now if the chairman of the committee had not become impatient and a little irritated because we were bringing in a comparison between the three mail deliveries a day in London and the billions of appropriations to maintain such deliveries, as against laying off 17,000 of our own employees and giving practically no service at all.

Mr. WELKER. Mr. President, will the Senator further yield?

Mr. MALONE. I yield.

Mr. WELKER. Out of respect for my dear friend the chairman of the committee, the senior Senator from South Carolina [Mr. JOHNSTON], let me say that he has been with us a thousand percent. He voted against the Russell amendment and spoke against it. He is as firmly against it as is the Senator

from Nevada or the Senator from North Dakota [Mr. LANGER] or myself. I think the situation in that regard should be clarified, because he has been with us all the way.

However, I invite the attention of the Senator from Nevada to the fact that a number of Senators who occupy seats on the other side of the aisle, and who claim that they are always for everything that is good for labor, will be held to a strict accounting as to why they voted for the Russell amendment.

Mr. MALONE. I shall be happy to exclude my distinguished friend the chairman of the committee from my reference. I had not noticed his vote. There was such an overwhelming majority on that side of the aisle that I took it for granted that the vote on the other side of the aisle was unanimous. I assure the Senator that I would have completed my argument before now except for the interruption from the other side of the aisle. I shall require only a few minutes longer.

I continue to read from the article in the Washington Times-Herald of today:

After his meeting with Snyder yesterday, Gaitskell said: "I shall meet with Snyder again Friday afternoon to discuss various financial questions of mutual interest to Great Britain and the United States, and also the financial questions to be discussed at the meeting of the International Bank and Monetary Fund."

Gaitskell discussed trade questions at his meeting with Sawyer. He made it plain Britain would welcome a chance to get more scarce steel from this country.

A great many people in our country would be very happy to get a little more steel.

#### PROMISED UNITED STATES STEEL

Snyder made no statement on his meeting with the British Treasury chief. However, officials reported that Gaitskell is sounding out official reaction to proposed British delay on interest payments. Gaitskell said he is not seeking new aid, but did not bar asking modification of the 1946 loan.

Gaitskell also talked with Mobilization Director Wilson. The Britisher received assurance that Britain will get two to three million tons of American steel in the next year, Wilson's office said.

Britain has securities valued at \$1,000,000,000 with the RFC on a \$390,000,000 war-time loan. This loan will be paid off October 1 and the securities will be returned to Britain. They have increased in value to \$1,000,000,000 since the loan was made early in the war.

No offer has been made to turn over these securities on the 1946 loan.

Mr. President, it may be of interest to recall that the sums of money sent to Great Britain since World War II have been estimated at from \$15,000,000,000 to \$20,000,000,000, little of which has been repaid. None of the amounts appropriated by Congress have been repaid, regardless of the amount of securities which the British may have in this country.

I think the debate should be completed. Referring again to the recommendations of the Hoover Commission, No. 5 is:

We recommend that the confirmation of postmasters by the Senate should be abolished.

The primary responsibility for personnel selection and management other than the

Postmaster General and the Director of Posts should rest in the service. The Post Office Department is alone able to determine and define the skills required. The selection of postmasters should be, as far as possible, from the local community and in consultation with community leaders. We have stated above that all selections of personnel should be subject to merit standards set by the Post Office and approved by the Civil Service Commission and subject to enforcement by that body.

And we have proposed a reorganization of the Civil Service Commission which would make practicable the establishment and enforcement of such standards.

Our purpose is a career service based upon merit selection with the widest opportunity for promotion as its objective.

To complete the recommendations of the Hoover Commission, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the matter under the heading "Budget, Accounting, and Audit," beginning on page 11 of the document to which I have referred, and extending over to page 14, just before the heading "Recommendation No. 6."

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

#### BUDGET, ACCOUNTING, AND AUDIT

The whole accounting and administrative problem of the postal service is confused by the present form of the budget. Currently the service is operated under 58 separate appropriations, each of which must be independently justified by the Department, reviewed and approved by the Congress, and apportioned to individual post offices for each quarter by the Bureau of the Budget. Individual appropriations for 1948-49 ranged from \$3,000 to over \$500,000,000 in such vertical classifications as "clerks, first- second-class post offices," "village delivery service," and "carfare and bicycle allowance."

Every dollar spent must be charged against a specific appropriation, and transfers from one account to another—even in the case of exhaustion of funds—is permitted only within certain narrow limits. As a result, the postal management is unable, for example, to operate any post office as a fiscal unit, but must concern itself with the expense of separate activities within the office—clerks, vehicle hire, carriers—as though they were totally unrelated.

One effect of the present combined budget and accounting system is that it hampers a businesslike operation of the service.

For instance, cash books are kept in each post office, and each entry is covered by a voucher or similar document when turned in for quarterly settlement. Accounting units of the Post Office Department have only 30 days after the close of the quarter to review this mass of material from 42,000 post offices and to turn it over to the General Accounting Office, which performs the full audit, settles directly with individual postmasters, and turns its report over to the Department some 8 months after the quarter's end—too late for effective use in day-to-day and month-to-month analysis and supervision. Consequently, the Post Office Department must depend, in fulfilling its operating responsibilities and budgeting, on its own partial duplication of certain accounts and estimates of others.

The inadequacy of such a structure of accounting and budgeting becomes more apparent when it is considered that the volume of business, and hence expenses, will fluctuate with changing economic conditions. Nor can the Post Office Department alter its services to fit its budget, since it must accept whatever volume of service the public



requests. The only recourse today when expenses exceed estimates is to request a supplemental appropriation from the Congress.

The present system does not permit of competent cost accounting fundamental to efficient management of a business. It is outrageously cumbersome and results in a mass of unnecessary red tape and a host of employees.

It must be recognized that the Post Office is: (a) predominantly of a business nature; (b) revenue-producing and potentially self-sustaining; (c) characterized by a large number of business-type transactions with the public; and (d) in need of greater flexibility than the customary type of appropriation budget ordinarily permits.

Such a reorganization is essential to provide: (a) accounting, budgeting, and auditing procedures designed to improve management's control of the business; (b) flexibility of expenditures to meet fluctuating demands for postal service and varying conditions of operation on a Nation-wide scale; (c) reasonable freedom from restrictive laws and regulations governing contracts, purchases, and personnel practices; (d) administrative authority commensurate with responsibility.

We wish to emphasize our recommendations elsewhere that the Department should keep its own accounts and make its own disbursements subject to audit by the Comptroller General and in accordance with procedures determined by the Accountant General, these procedures to be approved by the Comptroller General.

The experience of the Federal Government in many of its business enterprises has already pointed the way to the solution of these problems in the post office. The Government Corporation Control Act of 1945, as amended, provides for a "business form" of budget, accounting, and audit and gives modern business flexibility to the management of those concerns. Already several billion dollars annually of Government business is done under those provisions.

We do not recommend that the post office should be incorporated under that law, as we consider that to be unnecessary.

Recommendation No. 6: We do recommend that the provisions of that law in respect to business management, budgeting, accounting, and audit be applied to the post office.

Such a provision will bring the Department into step with modern business methods and will not lessen executive or congressional controls. At the same time it will provide flexibility in management, simplification of budgeting, accounting, and audit which will result in large economies.

#### INFLEXIBILITY OF THE ORGANIZATION

There are over 900 pages in detailed laws and regulations which tend generally to favor operation of the postal service as an expensive service arm of the Government, rather than as the revolving fund service which it actually is.

These provisions curtail the Department's authority over minor details or place important powers in the hands of other agencies. They provide inadequate incentives for cost-conscious, economical operation. They limit the ability of the Department to adjust to changing commercial conditions by depriving it of flexibility both in financial and operational activities.

Recommendation No. 7: We recommend that the laws, regulations, and other stipulations governing the service should be revised not only to bring about these structural changes but also to simplify the whole operation.

#### POSTAL RATES

Certain postal rates are fixed, not primarily to provide postal income, but as an element of public policy in the dissemination of information and in the provision of services not otherwise obtainable by the people.

It is our view, therefore, that the final determination of rates for first-class (including air mail), second-, third-, and fourth-class mail should be made by the Congress.

However, there are other services performed by the Post Office that are of primary interest to certain groups, the losses from which should not fall upon the general taxpayer.

Recommendation No. 8: We, therefore, recommend that the Congress should authorize and instruct the Postmaster General to make rates charged for registered mail, insured mail, money orders, postal notes, postal cards, special delivery, and collect-on-delivery mail which would make each of these services self-supporting.<sup>1</sup>

On the basis of the 1948 estimates, this would increase postal revenues by \$113,000,000 per annum.

A reorganized method of accounting, as mentioned later, would not only enable far more efficient conduct of the service and afford more accurate budgeting and cost-control systems, but also would form the basis upon which Congress could act with more assurance upon rates.

To provide such data to the Congress a small unit should be established in the Department to furnish Congress with information and estimates useful in rate making.

The Congress might consider the feasibility of securing recommendations on rates from, say, the Civil Aeronautics Board or the Interstate Commerce Commission.

#### SUBSIDIES

Payments to common carriers for transporting the domestic and foreign air mail are fixed by the Civil Aeronautics Board at a level to provide a subsidy to aviation. Contracts for overseas mail are also made on a subsidy basis. These subsidies may be most desirable.

Recommendation No. 9: We recommend, however, that the amounts of these subsidies should be paid to the Post Office by open appropriation from tax funds and not imposed upon the Post Office or the mail users in this hidden manner.

By such a course, the President, the Congress, and the public may know what the amounts of the subsidies are.

Mr. MALONE. Mr. President, I read further:

The above recommendations of a major nature will require legislative action. After such a general structure is erected by statute, then a great number of administrative improvements and servings will be possible which do not require legislation.

#### HOOVER COMMISSION RECOMMENDATIONS SIDETRACKED

In conclusion I would say that no organized attempt has been made—and no bill has been delivered to the floor of the Senate—to reorganize the Post Office Department so as to effect the savings recommended by the Hoover Commission, which was created by the Eightieth Congress.

No argument has been made on the floor of the Senate to bring about these economies. We merely start talking about appropriating more money. We talk about more money from the parcel-post service. We talk about cutting down the size of the parcel-post packages. We talk about more money from first-class service, and more money from the use of postal cards.

Mr. President, I leave the floor with this parting admonition. Apparently

<sup>1</sup> We are informed that this recommendation already has been partially carried out.

no real attempt was made to determine what it costs, as distinguished between first-class mail and post cards, on a per ounce basis, or on any other equitable basis, to deliver the mail.

The bill provides that a study of such costs shall be made. It is a laudable thing to provide. At least the committee understood that they did not have enough information to solve the problem.

The shotgun increases are unfair to the little man and the small-business man, who must use the postal service, either in his business or as a means of private communications.

It is entirely out of place at this time to come in with definite recommendations without such information.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. LONG].

Mr. LONG. Mr. President, I have discussed my amendment with the Senator from North Dakota [Mr. LANGER], who has an amendment relating to certain charitable and other organizations. In order that the two amendments may be considered at one time, I have modified my amendment. I send my modified amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment of the Senator from Louisiana, as modified.

The CHIEF CLERK. On page 14, line 9, after the words "2 cents" it is proposed to insert the following: "Provided, That there shall be no increase in the present postage rates on such postals and post cards used for personal correspondence by any individual and not for advertising purposes or commercial or political purposes or commercial political solicitation or for purposes of notices of commercial indebtedness, and that there shall be no increase in the present postage rates on postals and post cards sent by or in behalf of religious, educational, scientific, temperance, philanthropic, agricultural, labor, veterans, or fraternal organizations or associations, or service clubs, not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual: And provided further, That the Postmaster General is authorized to prescribe the form of card which may be employed at the respective rates provided by this subsection and to promulgate such regulations as may be necessary to their use."

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, offered by the Senator from Louisiana [Mr. LONG].

Mr. DIRKSEN. I do not wish to labor the point. There does not seem to me to be any use whatever in providing an increase in postal rates if we are to make the kind of exceptions which are contained in the proposed amendment. Certainly the yield from the service would diminish, and we could just as well forget about closing the budget gap and offsetting the deficit with which we are confronted. I sincerely hope that the amendment will not be agreed to.

Mr. LONG. The distinguished junior Senator from Illinois is usually extremely



well informed, and very often I agree completely with his arguments. With respect to the proposed amendment, however, I wish to tell the Senator that I was a member of the committee which worked on this amendment. Over a period of 7 or 8 months, as a member of the committee, I consulted and advised with representatives of the Post Office Department on many occasions. Even though at one time they felt that such an amendment would not be practicable, at a later date they felt it could be worked out. I have been advised by many responsible officials of the Post Office Department that they believe the amendment could be very easily administered. The organizations referred to in the modified amendment could use a different type of card. I believe the amendment could be worked out in conference. It would exempt from the 2-cent rate not more than about 10 percent of all the penny postcards. I suggest that the question of whether postcards were being used by individual persons for their own private correspondence could be resolved in most cases by the prima facie test of whether the postcards appeared to have been printed, multigraphed, or otherwise processed, or individually written or typed.

Mr. DIRKSEN. The point I make is that in the case of so many organizations the fact is that they are dues-paying organizations, who collect dues for memberships. For example, we have luncheon clubs such as the Rotary, Kiwanis, Optimist, and so forth. I know they are not organized for the purpose of making a profit, but I see no good reason why an exception should be made for such organizations, because certainly they could very easily raise their dues, if necessary, to offset the modest increase in the cost of notifying members of meetings.

Unless some better limitations are prescribed, the post cards could be used for propaganda purposes. Such use could be made of post cards under the amendment offered by the distinguished Senator from Louisiana.

One part of the amendment is not quite clear to me. It provides that the increase on such postals and post cards shall not apply where used for "personal correspondence by any individual"—and I suppose this is the qualifying phrase—"and not for advertising purposes or commercial or political purposes or commercial or political solicitation or for purposes of notices of commercial indebtedness."

Frankly, Mr. President, I believe the amendment is so involved that it would be bound to go infinitely further than my friend from Louisiana has in mind. The effect would be to diminish the revenue by that amount of money. For that reason I believe it merely defeats one of the objectives which the committee had in mind in seeking to close up the deficit.

Mr. LONG. Mr. President, I am sure that the junior Senator from Illinois is sincerely of the opinion that the amendment is not practicable. I would tell

him that we have studied the subject at length. The amendment was a part of a bill which was reported in the Eighty-first Congress. The junior Senator from Louisiana offered it in committee and it was adopted in committee by a substantial vote. Originally the Post Office Department objected to it. They made a study of it and came back with some substitute language, and this is substantially the language, as modified by the language of the amendment which the Senator from North Dakota had intended to offer. All of it can be studied in conference. Since this amendment is not included in the companion bill which is on the calendar in the House, if the amendment is agreed to by the Senate, no doubt there will have to be a conference about the amendment; and at that time the Post Office Department will have an opportunity to suggest any modification it believes proper in this particular case.

Mr. President, I believe the amendment can be administered. It might prove to be necessary to eliminate charitable organizations from the benefit proposed by the amendment, and it might be necessary to remove the service clubs from the benefit of this proposal, although I believe those matters can be worked out; and I believe that if the Post Office Department had an opportunity to study the application of the amendment to the service clubs, the Department could have its views submitted at the conference. For instance, the service clubs could apply to the Postmaster General or to the local postmasters for a post card different from the one usually used, and the service clubs would be sold the number of such post cards which they wished to use for the purpose of sending notices of their meetings, and so forth.

So far as concerns making a differentiation as between the use of post cards for commercial advertising purposes and their use for private correspondence, I believe it would be very simple to make that differentiation. In the first place, commercial advertising post cards are usually purchased in large quantities, perhaps by the hundreds of thousands, and usually are mailed in similar quantities. It practically never happens that post cards used for commercial advertising are mailed singly. Therefore, when a post office found that a large quantity of post cards was being mailed at one time by a commercial firm, the post office would immediately be placed on notice of that situation; and if it were found that the commercial firm was using the type of post cards which would carry only a 1-cent stamp, the post office would not transport them or deliver them, but would return them to the advertiser who sent them in the first place, and would notify the advertiser that he would have to use a different type of card.

So, Mr. President, I believe that a small amount of actual application of the amendment in everyday use would prove that it is practical.

I realize that everyone hates to have additional burdens imposed upon him;

and, of course, that is true of the Postmaster General as well as of all others. However, I believe the amendment would work well, and I do not believe there would be any great difficulty in applying it, or any more difficulty than there is in making the present differentiation as between first-class, second-class, and third-class matter.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. DIRKSEN. In connection with the Senator's amendment, which calls for the use of a 1-cent post card by the average citizen, for purposes of private correspondence, and also by various service and charitable organizations, let me say that I am sure my friend is aware of the finding of the task force of the Hoover Commission that it costs nearly 2 cents to produce a post card. Therefore, every time a post card bearing a 1-cent stamp was mailed by any of the organizations that would be covered by the provisions of the Senator's amendment, the Government would be subsidizing from the Federal Treasury that organization and its endeavors. If that is to be done, I do not know where the line can be drawn; and in that case we might just as well forget all about any differentiation in the field of subsidies, and we might just as well let the tail go with the hog. Will my friend agree that that is the case?

Mr. LONG. I agree that the amendment calls for a subsidy for the service clubs and for charitable organizations and for the ordinary citizen. However, the ordinary citizen pays taxes and is entitled to draw this subsidy.

On the other hand, the amendment would eliminate the subsidy which now goes to those who engage in general advertising, and who use for that purpose perhaps 1,000,000 post cards at a time, and send them to the public in bulk mailing.

The amendment would preserve for the average American citizen the privilege which many of us believe he is entitled to. In addition, the amendment would preserve for many of the charitable organizations the privilege to which we believe they are entitled.

By far the greater proportion of post cards are used by commercial firms for general advertising; perhaps six times as many post cards are used for that purpose as are used by charitable or educational organizations or by citizens who use post cards for their private correspondence. Therefore, why should not the charitable and educational organizations receive the benefit proposed by my amendment, which will cost much less than the subsidy which now is received by the advertisers and other commercial groups in connection with their present use of post cards. After all, the amendment is designed for the benefit of the average citizen, who in this case is the forgotten man.

Mr. DIRKSEN. However, I point out that the really forgotten man would be the humble citizen who would pay 4 cents in order to mail a first-class letter. The Senator's amendment in relation to



post cards would be of benefit to the service clubs and other organizations, rather than to the average citizen, for the average citizen uses first-class letters for his correspondence.

Mr. LONG. However, so long as the average citizen uses a post card for his personal correspondence, he will receive the benefit of the 1-cent rate, if my amendment is adopted.

Mr. DIRKSEN. The average citizen sends his correspondence by first-class letter mail, and in that case he would pay the 4-cent rate.

Mr. LONG. But if he used post cards for his correspondence, under the provisions of this amendment he would pay only the 1-cent rate.

Mr. DIRKSEN. We must not lose sight of the fact that the purpose of the pending bill is to close the deficit gap which has developed between the income and the expenditures in connection with the postal service; and if that gap is to be closed, we must proceed to close it in some way.

Mr. LONG. For that purpose I would support an amendment, if the Senator from Illinois would offer one, to increase the rates on second-class and third-class mail.

Mr. DIRKSEN. I am not on the committee—

Mr. LONG. Neither am I.

Mr. DIRKSEN. If the Senator from Louisiana favors an amendment of that sort, perhaps he will submit one himself or perhaps he will persuade some member of the committee to submit one.

Mr. WELKER. Mr. President, as we consider the amendment submitted by the Senator from Louisiana, which now has been modified, I wish to say that I join the Senator from Illinois [Mr. DIRKSEN] in the position he has taken in regard to the amendment.

I assure you, Mr. President, that every member of the committee spent as much time as possible in the consideration of this matter. We considered from every angle the amendment which the Senator from Louisiana has submitted to the committee amendment. After careful study and deep thought, we arrived at the conclusion, with only one dissenting vote, so far as I recall, that we could not begin to make such exemptions without destroying the very purpose of the bill.

If the Senator's amendment were adopted and were to go into effect, I could conceive that almost every organization would receive the benefits of the provisions of the amendment. For instance, it is said that the benefits of the amendment would go to a club which was organized for service. Of course, Mr. President, almost any club would state that it was organized for purposes of service.

I think it is proper for us to determine whether we shall raise the postal rates straight across the board and make them uniform and severe, or else let us forget the whole thing.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The question is on agreeing to the amendment of the Senator from Louisiana, as modified. [Putting the question.] The "noes" appear to have it.

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded and that further proceedings under the call be vacated.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

The question is on agreeing to the amendment, as modified, offered by the Senator from Louisiana [Mr. LONG] to the amendment of the committee.

Mr. LONG. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON] is absent by leave of the Senate.

The Senator from Mississippi [Mr. EASTLAND] is absent because of illness.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Rhode Island [Mr. GREEN], and the Senator from Montana [Mr. MURRAY] are absent on official business.

The Senator from Washington [Mr. MAGNUSON], the Senator from Nevada [Mr. McCARRAN], and the Senator from Alabama [Mr. SPARKMAN] are absent by leave of the Senate on official business, attending the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Oklahoma [Mr. MONRONEY] is necessarily absent.

The Senator from North Carolina [Mr. SMITH] is absent by leave of the Senate, attending the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

Mr. HENDRICKSON. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Maryland [Mr. BUTLER], the Senator from Missouri [Mr. KEM], and the Senator from Minnesota [Mr. THYE] are absent on official business.

The Senator from Ohio [Mr. BRICKER], the Senator from Vermont [Mr. FLANDERS], the Senator from Oregon [Mr. MORSE], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Utah [Mr. WATKINS], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Wisconsin [Mr. WILEY] are absent on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Michigan [Mr. FERGUSON] is absent by leave of the Senate to attend the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from California [Mr. KNOWLAND], and the Senator from New Jersey [Mr. SMITH] are absent by leave of the Senate on official business

to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif. If present and voting, the Senator from New Jersey [Mr. SMITH] would vote "nay."

The Senator from Massachusetts [Mr. LODGE] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The Senator from Indiana [Mr. JENNER] is detained on official business and, if present, he would vote "nay."

On this vote the Senator from Maryland [Mr. BUTLER] is paired with the Senator from Massachusetts [Mr. LODGE]. If present and voting, the Senator from Maryland would vote "nay," and the Senator from Massachusetts would vote "yea."

The result was announced—yeas 10, nays 56, as follows:

## YEAS—10

Ellender	Langer	Pastore
Ives	Long	Russell
Johnston, S. C.	Malone	
Kilgore	Maybank	

## NAYS—56

Alken	Gillette	McMahon
Bennett	Hayden	Millikin
Benton	Hendrickson	Moody
Butler, Nebr.	Hennings	Mundt
Byrd	Hill	Neely
Cain	Hoev	Nixon
Capehart	Holland	O'Connor
Carlson	Humphrey	O'Mahoney
Case	Hunt	Robertson
Clements	Johnson, Colo.	Schoeppel
Connally	Johnson, Tex.	Smathers
Cordon	Kefauver	Smith, Maine
Dirksen	Kerr	Stennis
Douglas	Lehman	Taft
Duff	Martin	Underwood
Dworshak	McCarthy	Welker
Eaton	McClellan	Williams
Frear	McFarland	Young
George	McKellar	

## NOT VOTING—30

Anderson	Green	Murray
Brewster	Hickenlooper	Saltonstall
Bricker	Jenner	Smith, N. J.
Bridges	Kem	Smith, N. C.
Butler, Md.	Knowland	Sparkman
Chavez	Lodge	Thye
Eastland	Magnuson	Tobey
Ferguson	McCarran	Watkins
Flanders	Monroney	Wherry
Fulbright	Morse	Wiley

So Mr. LONG's amendment, as modified, was rejected.

## AMENDMENT OF SECTION 3121 OF THE INTERNAL REVENUE CODE

Mr. BYRD. Mr. President, I ask unanimous consent that the unfinished business may be temporarily laid aside and that the Senate proceed to consider House bill 4014, Calendar No. 687, to amend section 3121 of the Internal Revenue Code. The purpose of the bill is to extend the time of filing excess-profits-tax statements from September 15 until November 15. It is very important that the bill be acted on today. I have explained the situation to the majority leader and to the acting minority leader.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. McFARLAND. I understand that the regulations were not sent out in time to enable some corporations to make returns.

Mr. BYRD. There is a great deal of confusion about the law, and a great many returns have not been filed. The bill extends the time of filing to Novem-



her 15. The amendment was placed on a House bill which passed the Senate last year but did not become a law.

The PRESIDING OFFICER. The Senator from Virginia has asked unanimous consent that the pending business be laid aside temporarily, and that House bill 4014 may be immediately considered. Is there objection?

Mr. LANGER. Reserving the right to object, what would the bill cost, if anything?

Mr. BYRD. It would cost nothing. It would simply extend the time of filing returns from September 15 to November 15.

Mr. LANGER. I have no objection.

Mr. LONG. Mr. President, will the Senator agree to withdraw his request if there is any debate in connection with the bill?

Mr. BYRD. I do not think there will be any debate.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 4014) to amend section 3121 of the Internal Revenue Code, which had been reported from the Committee on Finance with an amendment, on page 2, after line 2, to insert a new section, as follows:

Sec. 2. Notwithstanding the 6-month limitation contained in section 53 (a) (2) of the Internal Revenue Code, extensions of time may be granted under such section, but not beyond November 15, 1951, for the filing by any corporation subject to the excess-profits tax imposed by chapter 1 of such code of the return of the taxes imposed by such chapter for any taxable year ending after June 30, 1950, and before February 1, 1951.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

#### REPORT OF COMMITTEE ON APPROPRIATIONS

Mr. O'MAHONEY, from the Committee on Appropriations, to which was referred the bill (H. R. 5054) making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the Department of Defense for the fiscal year ending June 30, 1952, and for other purposes, reported it with amendments, and submitted a report (No. 730) thereon.

#### READJUSTMENT OF POSTAL RATES

The Senate resumed the consideration of the bill (S. 1046) to readjust postal rates.

Mr. LONG. Mr. President, I offer an amendment which I should like to read and then send to the desk.

On page 14, line 9, after the words "2 cents", I move to insert the following:

*Provided*, That there shall be no increase in the present postage rates on such postals and post cards as are handwritten and used for correspondence by any individual and not for advertising purposes or purposes of commercial or political solicitation or for purposes of notice of commercial

indebtedness: *And, provided further*, That the Postmaster General is authorized to prescribe the form of card which may be employed at the respective rates provided by this subsection and to promulgate such regulations as may be necessary to their use.

Mr. President, this amendment would simply provide that a post card written by hand by a private individual would not be subject to the 2-cent rate, and its administration should be very simple. It provides that a handwritten post card, not used for personal advertising, going through the mail, would not take the 2-cent rate. It would be a different type of card from other cards. It would amount to no more than approximately 5 percent of the post cards going through the mail. It would be very simple to administer, far more simple than would the original amendment. Therefore I do not see why there should be any objection to it from an administrative standpoint.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. LONG].

Mr. CARLSON. Mr. President, I rise in opposition to the amendment offered by the Senator from Louisiana. I think it is well known in the committee that I sponsored, with some modifications, the particular amendment he offered previously. I was very much in favor of a change in the proposed legislation which would permit charitable organizations to use the postal card at the reduced rate. But rather than to make exemptions, I think it is best we follow through and legislate as the committee approved the measure.

The distinguished Senator from West Virginia [Mr. NEELY] who took the opposite view, convinced me that he was right, and I voted with him this afternoon.

I trust the Senate will reject the amendment offered by the Senator from Louisiana, because it confuses the issue, and would not help many people. If, as a result of its study, the committee which will be created under the terms of the bill should find that a different action should be taken, we will come back and recommend it to the full committee.

Mr. NEELY. Mr. President, I have just learned from the distinguished chairman of the committee that the adoption of this amendment would cost the taxpayers \$2,000,000 a year. It is my sincere hope that the Senate will, by defeating the amendment, protect the taxpayers against this heavy loss.

Mr. LONG. Mr. President, I should like to point out that the Senate has already voted to knock \$17,000,000 worth of postal increases out of the bill, so how would it help much if my amendment were defeated? Commercial advertisers used third-class mail in advertising their goods, and they use it at a loss to the taxpayers. In other words, if I am in the advertising business, all I have to do is to buy stamps costing 1½ cents each, as many as I want to buy, and send out as much mail as I choose, advertising shirts, shoes, or whatever I may be advertising for sale by mail order. Such mail can be sent by the thousands at a

cost to the taxpayers of 50 percent of the expense of delivering it.

Mr. President, the Senate has already knocked \$17,000,000 from the bill. I have offered an amendment which would save, first, for an ordinary user of a handwritten postal card, about \$2,500,000 and result in that much saving for the ordinary persons. There are still some poor people in the United States who would like to use a penny postal card. It would reduce the increase in rates by about \$2,500,000, but would leave the increase of about \$42,000,000 resulting from the increased rate on ordinary postal cards.

Mr. President, I should be glad to support a motion to return the \$17,000,000 which was cut from the bill by involving advertisers using third-class mail. I would be glad to support any amendment offered to get more money from second-class mail which is used by private individuals to make a profit out of all the taxpayers. I believe that my proposal for a penny postal card, not used for commercial purposes, should be adopted.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. LEHMAN. As I understand, the Senator's amendment applies only to hand-written postal cards, not to printed postal cards, not to postal cards used for the purpose of advertising an article, or anything of that sort.

Mr. LONG. If a card is printed or typed it would not be covered by my amendment. Therefore, it would still be subject to the 2-cent rate.

Mr. LEHMAN. Mr. President, will the Senator yield further?

Mr. LONG. Yes.

Mr. LEHMAN. I wish to say to the Senator from Louisiana that I voted against the previous amendment, which I thought was not justified. But I intend to vote for the pending amendment, because I have received many hundreds, if not thousands, of postal cards, as other Senators have. Probably I have received more such cards than other Senators receive, because of the great number of people who live in the State I have the honor in part to represent. My experience is that when a man or a woman takes the trouble to write a card in his or her own hand, the card really contains something worthy of consideration, and, in my opinion, the writing of such cards should be encouraged rather than discouraged. Therefore, I shall vote for the amendment.

Mr. LONG. I thank the Senator from New York.

Mr. LANGER. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I will yield in a moment.

Mr. President, those who want to make a record for economy can make a motion, in fact, if no other Member of the Senate does, I shall later move to reconsider the vote whereby we took off the second and third increases on third-class mail. It is on that class of mail that the Government should get some more revenue. Senators can decide how they want to vote on that point. It would seem to me inconsistent to vote, first, to require less money from those who are making money at the expense of the



Government, whereby we would save \$17,000,000 to the taxpayers, and, second, with respect to something which will be of benefit to the average citizen of the country, vote to save \$2,500,000 at the expense of the ordinary citizen who is also a taxpayer. It seems inconsistent that we should permit advertisers through the mails to benefit, and not do something to benefit the ordinary individual.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. LANGER. In other words, the Senator's amendment would aid the blind, the orphans, the cripples, and such organizations as really are interested in charity, who make appeals by postal cards written by hand.

Mr. LONG. Yes.

Mr. President, the amendment is of personal interest to the Senator from Louisiana. I served on the Committee on Post Office and Civil Service and offered the amendment 2 years ago. When I ran for office someone attempted to misconstrue my position, and I was asked: "Is it true, RUSSELL, that you are trying to take away our penny postal cards?" I had to explain that I was not trying to take away the penny postal cards from the average person, but that I felt that an advertiser who was using a postal card for commercial advertising could well afford to pay 2 cents. I believe it will be found that a great many Americans would still like to have the benefit of the penny postal card, because it costs so little. I think it is a good idea to retain the penny postal card if the communication on it is written by hand.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. DIRKSEN. For the purpose of keeping the record straight, I wish to say that my friend from Louisiana alluded a moment ago to a modification of the third-class rate. I suppose he is referring to the amendment offered by the Senator from New Mexico which struck out the proviso on page 14 of the bill yesterday.

Mr. LONG. I was not on the floor at the time.

Mr. DIRKSEN. Is that the one the Senator referred to?

Mr. LONG. I understand that such an amendment would knock off about \$17,000,000 of the increase in postal rates.

Mr. DIRKSEN. I simply wanted to get the record straight by saying that that portion of the amendment would not become effective for at least 1 year, so it did not involve any actual revenue, because in the interim period the investigating committee set up under the provisions of Senate bill 1046 will be apt to come in with a report and indicate what the situation is, and then Congress will be free, of course, to fix the rate at 1½ cents or even more.

Mr. LONG. Mr. President, for the past 4 years we have been trying to secure an increase in postal rates, particularly the third-class rate. The Senator's proposal would postpone the day

when we would secure such an increase.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. SMATHERS. Would not adoption of the amendment of the Senator from Louisiana require either that the postmaster or someone in the post office read almost every penny postal card that went through the post office?

Mr. LONG. It would require a person in the post office to take a look at it, and if he noticed that the card was not handwritten, but was of the 1-cent form, of course, he would reject the card, that is, he would either not send it on or would return it. The same thing is true with regard to all third-class mail. If such mail matter is sealed, it does not go through the mail. It is necessary for those who handle letters to notice whether third-class letters have been sealed, and if they are sealed, they require 3 cents mail, but if not sealed, 1½ cents.

Mr. SMATHERS. How much more money would it cost the taxpayers to hire extra men to read every penny postal card to see whether, for example, in the second paragraph there was not some advertising?

Mr. LONG. The few not written by hand, but containing commercial advertisements which might pass possibly through the post office, to the loss of the Post Office Department, would be so infinitesimal in number as hardly to be worth bothering about.

Mr. HUNT. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. HUNT. I should like to state a practical situation to the distinguished Senator from Louisiana, and to get his comments. It is a generally accepted method of campaigning to address a penny postal card, and then by some very wonderful reproductions, through photographic processes, thousands of other copies of the same postal card appear to be simply handwritten postal cards. What would be the effect of the Senator's amendment on that type of card?

Mr. LONG. The answer is very simple. It is true that a postal card might be multigraphed in such a manner that it would almost look as though it were written by hand, and it would take a trained eye to detect it. But the Senator well knows that even when that process is used, it is necessary to address the postal card. It would be expensive for a person to sit down and address each card by hand. It would be an impossibility for a person to cut an addressograph plate which would look as though it were handwritten. It might be that a person would go to an enormous expense to try to cheat the Post Office. If someone should invent a technical and complicated machine for such a purpose, I believe that by the time such a machine was developed we could find a way to prevent the abuse.

Mr. HUNT. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. HUNT. It would not be in any sense of the word an attempt to deceive

the postal officials. However, it is a good method of political campaigning. In States such as mine, where the population is not so large as that in the Senator's State, some of us sit up late at night personally addressing postal cards.

Mr. LONG. What the Senator says has much merit. I myself have used that method, although I have not attempted to deceive anyone on the question of whether or not a penny postal card was personally written by hand.

I should like to point out that the reason why it would not be easy to evade the law is that when postal cards are sent in large quantities they must be dropped in the mail as bulk mail. If a person wanted to beat the Government out of 1 cent, in connection with a postal card, he would have great difficulty in dropping a different card in each post office. When a great number of cards are mailed, the post-office employee who examines the bulk mailing can tell at once what the card is being used for. If a person is using a postal card which requires 2 cents postage, instead of 1 cent, a quick examination of the card will reveal whether or not it is being improperly used.

Mr. HUNT. It is not in any sense of the word an attempt to deceive postal officials. It is in every sense of the word an attempt to get a personal message directly to the voter. With all due deference to the distinguished Senator from Louisiana, I believe we are running into an administrative feature which is going to be very difficult to handle.

Mr. LONG. The amendment provides that such a postal card may not be used for political purposes. It seems to me that it would be very difficult for a person attempting to campaign in such a manner—to make political solicitations, to use the words of the amendment—if he wanted to solicit votes on a large scale, to find a machine which would make all the cards look as though they were handwritten, and then drop them into individual post offices, so as to make it difficult for the Post Office Department to detect. It would be very much simpler to pay 2 cents for the card.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. LANGER. It would be very simple for the Postmaster to require a card of a certain color.

Mr. DIRKSEN. Mr. President, I merely wish to point out the issue, so that there can be no misapprehension about it.

The first amendment offered by my friend from Louisiana was to make an exception in the case of postal cards used by philanthropic, temperance, and religious organizations, as well as cards used for personal correspondence. In his second amendment the exception applies only to cards used for personal correspondence, as I understand, and the remainder of the original amendment is stricken out.

The revenue involved is not the important consideration at all. First of all, we would place upon the Post Office Department the duty of performing a new administrative function in deter-



mining what is hand written and what is not.

Secondly, of course, there is still the element of subsidy.

In the first amendment it was proposed to say, "The cards cost 2 cents, but we will sell them for 1 cent to a Rotary Club, for example." The Senate would not agree to that. Now it is said, "We will modify the amendment and make it possible to sell 2-cent cards to an individual citizen for 1 cent."

Mr. LONG. Mr. President, will the Senator yield?

Mr. DIRKSEN. The principle is still there. It is, therefore, still repugnant, I think.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. DIRKSEN. I yield.

Mr. LONG. To be accurate, I am sure the Senator realizes that the amendment contemplates issuing one type of card for 1-cent use, and a different type of card for 2-cent use.

Mr. DIRKSEN. I understand; but the point is that if it is in postal card form it is still going to cost the Government 2 cents, so it would involve the element of subsidy.

Mr. President, I hope the amendment will not be accepted.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Louisiana [Mr. Long].

Mr. LONG. I ask for a division, Mr. President.

The Senate proceeded to divide.

Several Senators requested the yeas and nays.

The yeas and nays were not ordered.

The VICE PRESIDENT. As many as favor the amendment will rise and stand until counted. [After a pause.] Those who oppose the amendment will rise and stand until counted.

The amendment was rejected.

#### THE INDUSTRIAL DISPERSAL PROGRAM

Mr. CAIN. Mr. President, a big storm broke out over the Senate on June 27, and it began at the moment when the Senator from Wyoming [Mr. O'Mahoney] offered an amendment to the Defense Production Act which most Senators thought would have empowered the administration to direct and determine the location of industrial sites and facilities throughout the Nation. The debate on the amendment began on page 7448 of the CONGRESSIONAL RECORD of June 27, and continued through page 7460. The amendment had no more than been offered than its defeat was apparent. On a roll call there were 25 yeas and 56 nays. This result meant that the Senate had no intention of permitting the administration to determine where industry was to reside and operate. Many Senate debates have lasted for days longer than the one in question but few have been as vehement.

Some few days ago, a program for dispersing new and expanding industrial plants was adopted and initiated by the administration. A natural assumption on the part of some Members of the Senate is that this new program constitutes an attempt by the administration to accomplish by Government fiat what the

Congress has overwhelmingly voted against. In my view this is not the case. The program for industrial dispersion which has so recently been adopted by the administration does not remotely resemble the amendment which the Senate and the Congress voted down. The current administration program is an entirely different program from the original proposal. The adopted program is both moderate and sensible. This program ought to be appealing and find support in every section of the Nation.

The administration, following a strong recommendation by the National Security Resources Board, has approved and adopted a dispersal program which was designed and developed by a group of citizens in my own State of Washington. This program came to the attention of the administration from the community level. The city of Seattle is completely convinced that what can and will work effectively in Seattle can as easily be effective in every city in the country.

All of us will probably agree that a need for a sensible, workable and acceptable program for industrial dispersion has been recognized for some years. The Congress admitted the existence of such a need when it charged the NSRB, in the National Security Act of 1947, with the duty of advising the administration concerning strategic relocation of industries, services, Government, and economic activities, the continuous operation of which is essential to the Nation's security.

While no one wants our Government to have the right to tell industry where it will and where it will not move, the Government does at least have a duty to keep industry and the people advised as to anticipated developments in warfare which industry can consider in choosing sites for plant expansions or for the placing of new plants.

Some months ago a representative group of citizens in Seattle decided to study industrial dispersion and recommend a program to the Government. This committee was sponsored by the chamber of commerce and the city and county governments. It was participated in by representatives of industry, labor, and all walks of life. Its chairman was Ethan Allen Peyser, a respected lawyer and business leader.

It was realized that one of the great sources of strength of this Nation is its present industrial establishment and that anything which tends to dislocate that present industrial establishment will be harmful. It was recognized that a vast proportion of our present industrial establishment and hence our present strength is located reasonably close to the sea coasts or to the borders of the country. It was also recognized that no region in the United States should be built up by Government decree at the expense of any other region. It was also recognized that the relocation of industry from one part of the country to another was not a solution, nor would it be acceptable. It was recognized that industrial areas would be willing, in fact would be glad, to expand geographically within their own marketing areas, but would rightfully oppose any loss of in-

dustry from their areas. Lastly, it was recognized that this must be a long-time and long-range program and that it should be conducted locally by each industrial center rather than from Washington, D. C.

Out of these simple common sense principles came a simple program which can be summarized from the statement in the brochure recommended by the Citizens Committee and subsequently adopted by the Government.

First. It is designed to disperse new industry and expanding industry—not to move established industry.

Second. No region of the country is to be built up at the expense of another.

Third. Industrial dispersion can be carried out if such deployment is confined to each local marketing area.

Fourth. State and local governments, in cooperation with private enterprise, are called upon to take the initiative in this defense objective. The Federal Government will provide encouragement and technical guidance.

The industrial dispersion program as worked out by this nonpartisan Citizens Committee from Seattle is an excellent example of democratic processes.

The specific point of interest to the Congress in studying this program is the conception that industrial dispersion can best be carried out if such deployment is confined to each local marketing area. This eliminates once and for all the justifiable fears that we have all had that Government planners will seek to take industry from one section of the country and place it in another section of the country.

Our military authorities have approved this type of industrial dispersion, agreeing that it offers reasonable protection in the event of atomic bomb attack. In other words, the recommended locations of industries should not be from one section of the country to another remote section but rather should be confined to the respective local marketing areas. Yet these new locations should be far enough from the congested center of such area to avoid further congestion. The recommended distance is approximately 10 miles, though in the case of rugged terrain or other protective features, even a lesser distance can be effective in accomplishing satisfactory dispersion.

This type of dispersion makes sense. It does not involve the creation of additional utilities or additional transportation facilities or additional highways or the movement of people. Every industrial city in the United States has a surrounding contiguous territory including small towns, all of which have utilities, highways and transportation. No mass movements of labor are required.

Also, since the program suggests only the dispersion of expanding plants or new plants, it will be no handicap whatsoever to present production.

Speaking of the industrialized areas of the Pacific coast, the Atlantic coast, the Gulf of Mexico, the northern border and all other industrialized areas, I wish to emphasize that this is a sensible, practical program which will result in nothing but gain to their economies and



will add to the prosperity and growth of every industrialized region in the United States.

I suggest to the nonindustrialized areas of our country that this program should be acceptable to them. There is nothing in the program that prevents a company from making a move to a different area if it so desires. The program provides for open competition in the good sound American way and permits and encourages every region to seek its share of America's expanding industry. The initiative of the Seattle task force of volunteer citizens in producing a program which the Government has speedily adopted should be complimented. The Government should be congratulated for approving a program which came from the grass roots and is based on common sense. The Congress should be in support of a program which requires neither a new bureau or large funds to manage or finance it. This is one program which is certain to be successful because its provisions constitute the obvious, and because it was designed by community leaders to solve a problem which is apparent in every industrial community in the United States.

#### READJUSTMENT OF POSTAL RATES

The Senate resumed the consideration of the bill (S. 1046) to readjust postal rates.

Mr. DOUGLAS. I send an amendment to the desk and ask that it be stated.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 15, line 10, it is proposed to strike out "10" and insert "20."

On page 15, line 12, it is proposed to strike out "10" and insert "20."

The VICE PRESIDENT. Without objection the amendments will be considered en bloc.

Mr. DOUGLAS. Mr. President, the purpose of the amendment is to increase the rates on second-class matter, namely, on magazines and newspapers.

The proposal of the committee is to increase the present zone rates by 10 percent in the first year, by 10 percent in the second year, and by 10 percent in the third year, or a total maximum increase at the end of the third year of 30 percent. The amendment which I have just sent to the desk provides for an increase of 20 percent in the first year, 20 percent in the second year, and 20 percent in the third year, making a total increase of 60 percent at the end of the third year.

This amendment is needed both, first, to raise more revenue for the Post Office Department and to reduce the postal deficit; and second, it would likewise be a step toward equalizing the burden of sacrifice which we have thrown upon the users of first-class mail. I should like to speak on each of these points in turn.

In 1949-50 the deficit of the Post Office Department amounted to \$532,000,000. In the year 1950-51, which finished only 2 months ago, the deficit amounted to \$619,000,000. It is true that approximately \$152,000,000 of this amount included the payment of back

rates to the railroads, so that the net deficit, excluding the increase in railway rates, was approximately \$460,000,000. As a result of the rate increase which has been granted by the Interstate Commerce Commission, at least \$40,000,000 a year more has been added, so that the deficit for next year, unless rates are increased, will amount to between \$507,000,000 and \$515,000,000.

While the pending bill aims to raise \$373,000,000 more revenue during the first year, we know that treading on its heels, or close behind it, is the bill to increase the salaries of postal workers. I believe the increase in salaries should be granted because of the increase in the cost of living which has occurred. However, that increase will amount to \$201,000,000. Therefore, unless we increase the rates, we will have a deficit of approximately \$710,000,000. The pending bill, as I have said, purports to raise \$373,000,000 more in revenue. Therefore, even if the bill goes through, it will leave a deficit of \$340,000,000.

While perhaps a deficit of between \$150,000,000 and \$200,000,000 can be defended because of the unpaid services the Post Office Department renders for the Government in the form of franked mail, offices in post offices given to other Government agencies, air mail, and other subsidies which are charged to the Post Office service, and which, if not paid for by those who receive the benefit of the subsidies—although, in my opinion, more of them should be paid for by the users—are charged to the taxpayers, nevertheless, in total, these factors do not amount to more than \$200,000,000, and quite possibly even less than that figure; and even if my amendment is adopted, the Post Office Department still will be operating at a real deficit of \$140,000,000.

Mr. President, I believe it is worth while for us to ask ourselves where the deficit really occurs.

In its very able report, the committee shows quite clearly where the deficit occurs. The report is a very good one, although there is some difference between the figures given on page 9 of the report and those given by the committee on page 27 of the report. On page 9 the report correctly states that so far as first-class letters and parcels are concerned, the revenue amounted to approximately \$695,000,000 and the expenditures amounted to approximately \$543,000,000, and therefore the excess of revenues over expenditures amounted to approximately \$152,000,000; in other words, first-class matter not only paid for itself but actually produced a surplus of approximately \$152,000,000. I may say that I think there is a slight error of subtraction in the committee's figures, and I have revised them by \$2,000,000 in order to make the figure correct.

Mr. President, I wish to emphasize the fact that it is the first-class matter alone which produces a surplus at this time.

What is the situation, however, in regard to the handling of second-class mail, namely, magazines and newspapers? According to the Post Office Department and the statement issued by the committee, the total cost is about \$240,000,000, whereas the total amount received for the handling of magazines

and newspapers is \$47,000,000; in other words, in the handling of second-class matter there is a deficit which amounts to \$193,000,000.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. Yes; I shall be glad to yield.

Mr. LONG. If the Senator's amendment is adopted, how much will the users of second-class mail be paying, according to the Senator's best judgment?

Mr. DOUGLAS. At the end of 3 years they will be paying 60 percent more than they are paying now.

Mr. LONG. How much will that be?

Mr. DOUGLAS. If there were no diminution of volume, that class of mail then would yield approximately \$28,000,000 more; but to the degree that there was a diminution in volume, that sum would be diminished.

Mr. LONG. Are we to understand that at that time they would be paying approximately \$72,000,000 for \$250,000,000 worth of services?

Mr. DOUGLAS. Oh, yes; there still would be a tremendous subsidy, even with the increase I have proposed.

Mr. LONG. They still would be paying only about one-fourth of the expense of carrying that class of mail matter, would they not?

Mr. DOUGLAS. They would be paying about one-third of the cost of handling that class of mail.

Mr. LONG. They would be paying only about one-third of the cost of handling it?

Mr. DOUGLAS. Yes. My proposal is not to abolish the subsidy outright; I simply propose to diminish the subsidy. I think that is a very important point.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield to the Senator from Vermont.

Mr. AIKEN. Has the Senator from Illinois any information in regard to what percentage of the volume of magazines and newspapers is sent by direct mail at the present time?

Mr. DOUGLAS. No, I do not.

Mr. AIKEN. I ask that question for the reason that we know that today most of the magazines are delivered to cities by truck or by freight cars, and we know that the direct mailings usually go to the rural routes. It is the policy of our country to encourage the family-sized farm and to encourage rural living. I wonder how much encouragement of that sort it would be if an additional 60 percent of the cost of handling such publications were charged to the rural readers.

I am strongly in favor of economy in government, but I am also strongly in favor of encouragement of rural living. In that connection, as sometimes is the case, our emotions come into conflict with one another.

Mr. DOUGLAS. Let me reply to the Senator from Vermont that I think I can cure him of that complex which threatens to overpower him.

Mr. AIKEN. Let me say that I am also inclined to think that the publishers probably would not tend to bear the increased cost which the amendment, if



adopted, would cause, but very likely the increased cost for the mailing of the magazines and newspapers would be paid by all classes of readers, both those in the cities and those in the rural areas.

Perhaps the Senator can help disentangle me and perhaps he can reconcile the conflict between my emotions.

Mr. DOUGLAS. The Senator from Vermont knows that I hold him in the highest esteem, as do all other Members of the Senate. We have great respect and great affection for the Senator from Vermont. However, the Senator's attempt to bring into consideration the family-sized farm on an rural-free-delivery route, in order to keep down the postal rates charged to the slick-paper magazines, reminds me of the attempt which used to be made, whenever an effort was made to regulate the private utility rates, to state immediately that such regulation would interfere with the welfare of the widows and orphaned children who owned stock in the public utility companies.

So I would say that when the Senator from Vermont weeps copious tears for those who live on rural-free-delivery routes in the rural areas, he also should weep some tears for the American public who pay a subsidy of \$190,000,000 a year for the handling of this class of mail.

Mr. AIKEN. Mr. President, I believe that those who live on farms probably pay a larger percentage of their income in taxes than do any other class of the people of our country.

Mr. DOUGLAS. May I suggest that now the Senator from Vermont is changing his argument.

My point is that the magazine and newspaper owners should be paying more than they now are paying for the handling by the Post Office Department of their magazines and newspapers. In connection with this matter I should like to point out that instead of saying "newspapers and magazines," we should be saying "magazines and newspapers," because the magazines receive the major portion of this subsidy.

Mr. LONG and Mr. UNDERWOOD addressed the Chair.

The VICE PRESIDENT. Does the Senator from Illinois yield; and if so, to whom?

Mr. DOUGLAS. I am glad to yield first to my friend on my right, the Senator from Louisiana, before I yield to the Senator from Kentucky [Mr. UNDERWOOD].

Mr. LONG. Mr. President, let me say to the Senator from Illinois that when it is said that Senators should show more consideration to those who live in the rural areas, the fact of the matter is that those who use penny post cards for their private correspondence are not being benefited as they should be in connection with this measure; but a few minutes ago only 10 Senators voted in favor of helping them.

Therefore, why should anyone who lives in a rural area weep too bitterly if he has to pay an extra half cent for a magazine that is sent to him on an RFD route?

Mr. DOUGLAS. In other words, the Senator from Louisiana is saying that

Senators who opposed giving the benefit of the 1-cent post card to those who live in rural areas should also oppose giving a subsidy to the magazine owners?

Mr. LONG. That is correct. In other words, the argument is made that the subsidy given to the magazine owners is really a subsidy given to those who live on the R. F. D. routes.

Mr. DOUGLAS. That is what the Senator from Vermont was attempting to imply.

Mr. LONG. However, the fact is that only 10 Senators were sufficiently interested in those who live on the RFD routes to vote to give them the benefit of a 1-cent post-card rate.

Mr. UNDERWOOD. Mr. President—

Mr. DOUGLAS. Mr. President, I now yield to the Senator from Kentucky, who I know with his expert knowledge is one of the best-informed Senators on this subject.

Mr. UNDERWOOD. Mr. President, I should like to ask the distinguished Senator from Illinois, who at one time I called the greatest economist in the country, whether he knows that the cost ascertainment figure to which he has referred is a correct one, inasmuch as he has said that second-class mail, composed of newspapers, costs four times as much to handle as the revenue it brings into the Post Office Department.

Mr. DOUGLAS. Let me point out that second-class mail consists of both magazines and newspapers.

Mr. UNDERWOOD. Yes; it does consist of both magazines and newspapers.

Mr. DOUGLAS. Yes.

Mr. UNDERWOOD. It should be pointed out that the figure given as the cost of handling the second-class mail is a theoretical figure, in connection with which a charge is included for the shrubbery planted around the post offices; and I wonder whether it is also realized that included in the figure which is given as the cost of handling second-class matter is one-third of the cost of every rural route in the country.

Mr. DOUGLAS. I may say to my good friend from Kentucky that, of course, no cost accounting system is perfect, and I do not pretend that this cost allocation is correct down to the last dollar and cent. But I have checked into this system of cost allocation. I should like to have included at this point in my remarks an analysis which I have made of the method, and I should like briefly to comment upon it.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

COST ASCERTAINMENT FOR VARIOUS CLASSES  
OF MAIL IN THE POST OFFICE  
METHOD

Cost ascertainment is the method used by the Post Office to determine, by a sampling procedure, the revenues, average expenses, volumes, and average hauls fairly attributable to each of the several classes of mail. Each class includes its proportionate share of joint and overhead expense as well as expense for which it is directly responsible.

The several classes of mail largely use the same employees, same buildings, equipment, supplies, and so forth.

Statistics are gathered during four periods of one full week in each quarter of

the fiscal year. The periods are arranged to reflect seasonal variations and represent all days of the month.

Five hundred and nine post offices are included in the sampling. These are selected on a representative basis. The data collected from these samples is projected to make up the final cost-ascertainment figures.

The Post Office says that these are not, of course, entirely accurate, but are reliable estimates adequate for all practical purposes.

It should be noted that custodial service for other departments is an "Unassignable expenditure" and is therefore not charged to any class of mail.

Mr. DOUGLAS. As I understand, the transportation costs for carrying the mails from one station to another are divided between first- and second-class matter on the basis of poundage, and in the main the method used for allocating handling costs is on the basis of pieces of matter. I think that statement is substantially correct. That gives an allocation which, though not perfect, is not too far from the fact; and the disparity between the cost obtained for second-class matter, \$240,000,000, and the revenue, \$47,000,000, is so great that, even if there is a mistake of 10 percent in cost allocation, it merely means that the subsidy, instead of being \$193,000,000 becomes \$169,000,000. There can be no doubt that there is a tremendous subsidy being paid to the publishers of magazines and newspapers. Again, I want to emphasize that it is primarily for magazines, though some of it is for newspapers.

Mr. BENTON. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I yield to the Senator from Connecticut.

Mr. BENTON. Is the Senator aware of the fact that the practice of subsidizing magazines and newspapers goes back to 1879?

Mr. DOUGLAS. Yes; I think that is true.

Mr. BENTON. Does he recall the fact that even such a great and distinguished newspaper owner, editor, and publisher as the great Samuel Bowles, the owner and editor of the Springfield Republican at about that period, never earned more than \$5,000 a year in his life, even with a national circulation? And would the Senator agree that, at the time this subsidy was started, and during the several decades thereafter, before the days of radio and television, and before the days of rich magazines and rich newspapers, there was a far better argument for it than exists today?

Mr. DOUGLAS. That is absolutely correct.

Mr. BENTON. Is it not therefore time that we got rid of this cultural lag and brought ourselves into line with modern conditions as they exist in the development of the great properties of the newspaper and magazine publishers?

Mr. DOUGLAS. The Senator is bringing mighty reinforcements to the amendment which I have offered. I greet his battalions as they wheel into line to march forward.

Mr. BENTON. Mr. President, may I ask one more question?

Mr. DOUGLAS. I yield to the Senator from Connecticut.



Mr. BENTON. Does not the Senator also agree that, over a period of time, the Congress is likely to do more justice to the post-office workers themselves, in line with the bill which is coming up later this afternoon, if we have a showing of a better and more businesslike operation of the post office, and a better record on reducing these losses, when they no longer serve their original purpose?

Mr. DOUGLAS. The Senator from Connecticut is correct.

Mr. HUMPHREY. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I am glad to yield to the Senator from Minnesota for a question.

Mr. HUMPHREY. The Senator from Illinois, I am sure, is familiar with the fact that in 1948, according to the reports of the Post Office Department, there was for every piece of mail delivered by newspapers or magazines a deficit of 2.57 cents. That increased in 1949 to 2.65 cents and in 1950 to 3.7 cents. In other words, for every single magazine which is being delivered—on the average, which, of course, lumps them all together—there is at present a deficit of more than 3 cents. That is a Federal subsidy—an indirect subsidy to the publisher of the particular magazine or newspaper. This is what adds to the fabulous figure which the Senator has pointed out of \$193,000,000. I had a figure from the 1950 reports of approximately \$200,000,000.

Mr. DOUGLAS. I took the committee's figures on the expenditures of about \$240,000,000, and receipts of \$47,000,000.

Mr. HUMPHREY. According to the Postmaster General's testimony, as shown by the report, the Post Office Department places the postage paid on this class of mail matter at \$40,119,000, but that is merely a matter of a discrepancy of \$7,000,000. The subsidy still remains. I think an important thing to note second-class mail constitutes 19½ or 19¼ percent of the total weight of everything the post office handles, and yet it pays only 2½ percent of the revenue received.

Mr. DOUGLAS. And it represents 40 percent of the Post Office deficit.

Mr. HUMPHREY. Indeed, it does.

Mr. DOUGLAS. I desire to make clear that my amendment does not disturb the present provision of free mailing within the county for newspapers. The county newspaper, the small newspaper, would still be permitted to send inside the county the same number of issues as before without any charge whatever, and therefore my amendment in no sense interferes with the county press. So I hope that my good friends will not complain that the amendment is intended to put the county newspapers out of business. The county newspapers will exist, just as they do now.

Mr. AIKEN. I know it is not intended for that purpose. It is intended to save some money for the taxpayers. I was pointing out that it might come in conflict with our policy of encouraging rural living on family sized farms, because I do not believe for a moment that the publishers are going to absorb the increased cost.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield to the Senator from Minnesota.

Mr. HUMPHREY. Simply to make the RECORD complete in terms of this rate structure, the Postmaster General, in testimony before the Senate committee, revealed that there had been no increase in rates on second-class material since 1921, with the exception of a temporary increase from 1932 to 1934, as I recall the dates, and that increase was then rescinded. In fact, the 1921 rates, which were the all-time high, were cut down in 1928. So that, today, we find that one class of mail, namely, second-class mail, has had absolutely no rate increase whatever since 1921, and has had one decrease since that time. Comparing that, I may say, with some of the advertising rates which now exist, I have gone over some of the testimony on this question, and I find that the seven largest magazines have increased their circulation from an average of 1,976,000 to 2,300,000 subscribers in the past 15 years. Their black-and-white advertisement rates went from \$5,840 to \$7,825 per page in the same 15-year period, an increase of more than \$2,000 per page.

Mr. DOUGLAS. Or 40 percent.

Mr. HUMPHREY. Or approximately 40 percent. Twelve national newspapers increased their daily circulation from an average of 264,000 to 355,000 over the same period. During this period they paid an almost constant postal rate, yet they increased their advertising rate from an average of 56 cents a line to an average of 80 cents a line, an increase of 70 percent in newspaper advertising.

I think one point needs to be taken into consideration. No one wants to bankrupt these publications or put them into an uneconomic situation. Many of them have long-range subscription rates. I mean 2-, 3-, 4-, and 5-year subscription rates.

Mr. DOUGLAS. That is correct.

Mr. HUMPHREY. I think that was the reason for the graduated plan proposed by the committee, because the Postmaster General came before the committee with a program to increase rates 100 percent.

Mr. DOUGLAS. I may point out to the Senator that the same graduated plan is retained in my amendment. I am merely stepping up the height of the steps. We have three steps, but instead of my proposal increasing the rate 10 percent, it increases it by 20 percent each time.

Mr. HUMPHREY. There is one further point I think I should make. I do not say this with any spirit of acrimony, yet most of the publications which are today receiving the greatest indirect subsidy which the country offers are the very publications which have railed against subsidies as undermining the moral fiber of the American people. I am not saying that this is as blatant a subsidy as some would indicate, but I do not think anybody can deny that there is an indirect subsidy, here, in terms of postal rates; and this is, as the Senator from Illinois has pointed out, approximately 40 percent of the whole

deficit on first-class mail. Every one of us has stood by the guns here, and for the increased rates. The Senator from Louisiana wanted 1 cent—I gave him one vote on the last measure he had—but on the first one, I thought he had an administratively impossible one. Except for that one measure, we have had an increase in air mail, and an increase in the ordinary 3-cent letter to 4 cents.

We are going to step up the special delivery rate; we are stepping up the parcel post rate; every rate is being sharply stepped up. We are stepping up the first-class rate by 33⅓ percent; that is, from 3 cents to 4 cents. On air mail we are stepping up the rate 35 percent. I submit that the publications we are now considering can take more than a 10-percent increase in 1 year. The Senator's amendment provides for a 20-percent increase. Even that will represent little compensation to the Government. The Interstate Commerce Commission is going to establish a new increased rate of mail pay—

Mr. DOUGLAS. In addition to the railway rate increase which has heretofore already been granted.

Mr. HUMPHREY. That is correct. The Post Office Department not only has to pay to carry the mail one way, but it has to pay to return the empty car. If there is a full load of mail going from Chicago to San Francisco and the car coming back is empty, the Post Office Department has to pay as if the car coming back were filled. That is called the round-trip mail provision.

Mr. DOUGLAS. It is my understanding that the provision for payment on empty cars has been changed. There is still a question of whether the rates to the railroads are excessive; but I do congratulate the Senator from Minnesota for making a very interesting point.

Mr. BENTON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I have no egotism about the matter, but I should like to make a speech in my own time. I shall, however, be glad to yield to the Senator from Connecticut.

Mr. BENTON. I think the figures of the Senator from Minnesota are so appropriate and fit so neatly into the question of the Senator from Vermont [Mr. AIKEN], that I wonder if the Senator from Illinois would agree that if the increase in cost, which is a fraction per copy for any individual magazine, is going to be passed on, it certainly looks more likely that it will be passed on to the advertiser than in the form of a higher subscription rate, as it is not likely that a magazine selling for 20 cents will charge 20½ cents or 21 cents because there is an increase in the postal rate.

Mr. DOUGLAS. I think the Senator is correct.

Mr. President, the Senator from Minnesota touched on a very real matter, namely, the relative increase on first-class as compared with second-class mail. The increase in first-class mail is from 3 to 4 cents, or a rise of 33⅓ percent. The increase in second-class mail, initially, is only 10 percent, and at its height it is only 30 percent. So, even, if



we take the rate now in effect, the committee bill provides a small rate of increase for second-class matter, in which there is a tremendous deficit, and a larger increase on first-class matter on which there is a tremendous surplus.

We should also look back to previous years, as the Senator from Minnesota has said. We had a 2-cent stamp for first-class matter throughout our history, with the exception of 20 months during the First World War, when it was increased to 3 cents after which it was lowered to 2 cents. In the first part of

1932 it cost 2 cents to mail a letter. That rate was raised to 3 cents in June 1932. It is now proposed that it be raised to 4 cents. So that in comparison with 20 years ago, we have put into effect a hundred percent increase in the cost of mailing a first-class letter.

Mr. HUMPHREY. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I am glad to yield.

Mr. HUMPHREY. I merely wish to point out that when we raised the first-class rate to 3 cents in June 1932 we also at that time raised some second-class

rates, and the 3-cent rate continued in effect.

Mr. DOUGLAS. The Senator is correct.

Mr. President, I should like to have printed in the Record at this point in my remarks a comparison of changes in second-class postage rates charged to publishers since 1879, and including the rate increases proposed by the Postmaster General.

There being no objection, the table of comparison was ordered to be printed in the Record, as follows:

Comparison of changes in second-class postage rates charged to publishers since 1879 and including proposed rate increases

	Act of Mar. 3, 1879 (20 Stat. 350, 361)	Act of Mar. 3, 1885 (23 Stat. 387)	Act of Oct. 3, 1917 (40 Stat. 327, 328)	Act of Feb. 28, 1925 (43 Stat. 1066, 1067)	Act of May 20, 1928 (45 Stat. 940, 941)	Act of June 6, 1932 (47 Stat. 255)	Postmaster General Order No. 5506, May 28, 1934	Postage rate increases recom- mended to Congress by Postmaster General Feb. 28, 1951
<b>A. WITHIN THE COUNTY OF PUBLICATION</b>								
1. For delivery at office of mailing having city or vil- lage letter-carrier service: (a) By carrier: Weekly newspapers----- Newspapers issued more often than weekly. Periodicals (all publications issued less frequently than weekly): Copies weighing 2 ounces or less----- Copies weighing over 2 ounces, any weight. (b) Through post-office boxes or general delivery, and for delivery by rural or star route car- riers.	2 cents per pound. 1 cent per copy.	1 cent per pound. 1 cent per copy.	(1) (1)	(1) (1)	(1) (1)	(1) (1)	(1) (1)	1 cent per pound—minimum 1/2 cent per copy. 1 cent per copy.
(b) Through post-office boxes or general delivery, and for delivery by rural or star route car- riers.	do----- 2 cents per copy. 2 cents per pound.	do----- 2 cents per copy. 1 cent per pound.	(1) (1)	(1) (1)	(1) (1)	(1) (1)	(1) (1)	Do. 2 cents per copy.
2. For delivery at offices having city or village letter- carrier service, other than the office of mailing.	do-----	do-----	(1)	(1)	(1)	(1)	(1)	1 cent per pound—minimum 1/2 cent per copy.
3. For delivery at all offices not having city or village letter-carrier service: (a) If publication is printed in whole or in part in the county, one copy to each subscriber residing within the county. (b) If publication is not printed in whole or in part in the county.	Free----- 2 cents per pound.	Free----- 1 cent per pound.	(1) (1)	(1) (1)	(1) (1)	(1) (1)	(1) (1)	Do. Free. 1 cent per pound—minimum 1/2 cent per copy.
<b>B. OUTSIDE THE COUNTY OF PUBLICATION</b>								
1. All publications except those accepted at the special rate: (a) Reading portion (also advertising portion when it does not exceed 5 percent of the total space).	do-----	do-----	On and after July 1, 1919 1 1/2 cents per pound.	On and after July 1, 1920, until July 1, 1921	(1)	July 1, 1932, until July 1, 1934		1 1/2 cents per pound—mini- mum 1/2 cent per copy— 50 percent increase first year; 25 percent each second and third years.
(b) Advertising portion when it exceeds 5 per- cent of the total space: Zone: First and second----- Third----- Fourth----- Fifth----- Sixth----- Seventh----- Eighth-----	do----- do----- do----- do----- do----- do----- do-----	1 1/4 cents per pound. 1 1/2 cents per pound. 2 cents per pound. 2 1/4 cents per pound. 2 1/2 cents per pound. 3 cents per pound. 3 1/4 cents per pound.	1 1/2 cents per pound. 2 cents per pound. 3 cents per pound. 3 1/2 cents per pound. 4 cents per pound. 5 cents per pound. 5 1/2 cents per pound.	1 3/4 cents per pound. 2 1/2 cents per pound. 4 cents per pound. 4 1/2 cents per pound. 5 1/2 cents per pound. 7 cents per pound. 7 1/4 cents per pound.	2 cents per pound. 3 cents per pound. 5 cents per pound. 6 cents per pound. 7 cents per pound. 9 cents per pound. 10 cents per pound.	1 1/2 cents per pound. 2 cents per pound. 3 cents per pound. 4 cents per pound. 5 cents per pound. 6 cents per pound. 7 cents per pound.	Continued 1925 special rate	1 1/2 cents per pound. 2 cents per pound. 3 cents per pound. 4 cents per pound. 5 cents per pound. 6 cents per pound. 7 cents per pound.
2. Special rate publications: Issued by religious, educa- tional, scientific, philanthropic, agricultural, labor, or fraternal organizations or associations not organ- ized for profit and none of the net income of which inures to the benefit of any private stockholder or individual: Reading and advertising portions, combined.	do-----	do-----	On and after July 1, 1919 1 1/4 cents per pound.	On and after July 1, 1920, until July 1, 1921	(1)	Continued 1925 special rate	Continued 1925 special rate	1 1/2 cents per pound—mini- mum 1/2 cent per copy— 50-percent increase first year; 25 percent each sec- ond and third years.

1 The act of June 28, 1932 (47 Stat. 338) applies the per copy letter-carrier rates of 1 or 2 cents per copy to copies of publications other than weeklies admitted to the second class of mail matter (or reentered because of a change in the office of publication) subsequent to June 28, 1932, when mailed at the office of entry for delivery by letter carrier at another post office where the headquarters or general business offices of the publisher are located, unless the postage chargeable at the point rates from the office of mailing is higher, in which case such higher rates apply. This provision is now in effect.

2 Continued 1917 rates within county of publication.

3 The act of May 29, 1928, also provides that where the number of individually addressed copies or packages of unaddressed copies to the pound is more than 32 and not in excess of 48, the rates outside the county of publication shall be double; where the number is more than 48 and not exceeding 64, the rates shall be three times the regular rates, and for each additional 16 or fractional part of such number, the rates shall be correspondingly increased over the regular rates. This provision is now in effect.

4 This zone rate to be increased 50 percent the first year; 25 percent each the second and third years.



Mr. DOUGLAS. Mr. President, I should like to comment briefly upon this table. In short, our present second-class rates are not appreciably higher than they were in 1879; and are actually lower for second-class matter than they were from 1925 to 1928. As the Senator from Minnesota has said, in 1932 the rates on second-class matter were increased, by a half-cent a pound in the first and second zones, 1 cent in the third zone, and 2 cents a pound in the fourth zone, but in 1934 those rates were cut back to the level which had prevailed prior to 1932, which was the 1928 scale. No such decrease was given to the users of first-class mail. In short, the publishers of magazines and newspapers now pay less than they paid during the 1920's. They pay less than they paid from 1921 to 1928, and no more than they paid in 1879.

Mr. UNDERWOOD. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. UNDERWOOD. The Senator referred to magazines and newspapers, including the weeklies which have free county mailing privileges of their own—

Mr. DOUGLAS. Which I do not propose to change.

Mr. UNDERWOOD. Approximately 90 percent of the dailies were represented in the ANPA. The daily newspapers joined with the magazines in resisting a proposed 60-percent rate on the ground that they could not stand it. The committee has proposed a 30-percent increase on second-class mail, a 25-percent increase in first-class mail, a 25-percent increase in third-class mail, and a 25-percent increase in air mail. So the largest increase that is being proposed is in the second-class mail.

Mr. DOUGLAS. I like my good friend from Kentucky very much, but I think there is something wrong with his arithmetic. The increase on first-class mail is from 3 to 4 cents, or an increase of 33½ percent. The increase for second-class mail amounts, in the committee's bill, to 10-percent for 3 years, or a total of 30 percent.

Mr. UNDERWOOD. The reason for that is that many newspapers have already paid-up subscriptions for 2 or 3 years.

Mr. DOUGLAS. I want to make it clear that I am not proposing to change that. I am not proposing that we suddenly increase the rate. The Senator says the increase on second-class matter is higher than the increase on first-class matter. The maximum is, however, only 30 percent above the present rates. If we go back 20 or 30 years we will find that the increase on first-class matter is 100 percent, from 2 cents to 4 cents, whereas at the present time second-class matter is actually paying less than it did from 1925 to 1928. While I have not figured what the precise scale is, my own suggested increase of 60 percent would not raise second-class matter very greatly above the level of the 1920's. The rates for second-class matter are now below the level of the 1920's.

Mr. UNDERWOOD. Whether we go back 100 years, or even 1,000 years, is not 30 percent more than 25 percent?

Mr. DOUGLAS. Is the Senator speaking of third-class matter?

Mr. UNDERWOOD. I am speaking of second-class matter. The rate on third-class matter was raised 25 percent.

Mr. DOUGLAS. I think the Senator made a mistake. We are at present only increasing third class matter 25 percent. I regret that the Chavez amendment of yesterday, which eliminated the second increase of 25, was agreed to. I hope the Senator from Louisiana will move to have the vote by which that amendment was agreed to reconsidered, after we deal with the present amendment.

Mr. LONG. I shall certainly do so.

Mr. DOUGLAS. Instead of pulling every rate down and keeping the deficit high, I think we should increase the rates where the subsidies are now applied, namely, on second and third class matter.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. LONG. It seems to me that to do otherwise would destroy the concept that the rate increase should be based on a proportion of what mail users are now paying. How ridiculous the argument which has been advanced is. First-class mail today, at the 3-cent rate, is now being carried at a profit.

Mr. DOUGLAS. Yes, of \$154,000,000 on letters and parcels.

Mr. LONG. Yes. The best evidence we have is that it costs 2.8 cents to deliver a 3-cent letter. It is now proposed that we increase the rate of 4 cents. On the other hand it costs 6 cents to deliver magazines and newspapers, and we charge 1 cent. Someone connected with the newspaper business or the magazine business cries out because it is being proposed to increase the 1-cent rate by one-third, although it costs the Government \$6 every time it collects \$1 from a magazine or a newspaper. Furthermore, the records show that historically first-class mail has been raised and raised to the average person while second class has been reduced and reduced.

Mr. DOUGLAS. Mr. President, I know that it will be said that this subsidy to newspapers and magazines is necessary in order to disseminate education and knowledge. I believe the title of the first postal bill passed by the new Congress stated that was its purpose. Therefore, it will be said that it is worth-while to take a deficit in order to distribute education and culture. I admit that that has a good deal of truth in it, and I would not propose to abolish the subsidy completely. This increase of 60 percent, which would yield around \$24,000,000 or \$28,000,000, depending on the volume, in revenue, would still leave a subsidy of over \$150,000,000. It merely means that the subsidy will not be quite as enormous as it is today.

I should like furthermore to point out that at the time the new Congress passed the initial Postal Act to disseminate cul-

ture, there was very little advertising in the newspapers and magazines. The newspapers and magazines then contained primarily news matter and articles and cultural matters. Advertising had not been much developed. That was a long time ago, I might say.

Mr. LEHMAN. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I yield.

Mr. LEHMAN. It is probable that the Senator from Illinois has already given the figures, as I was out of the Chamber for a while, but could the Senator advise how much additional revenue would be derived from a 10-percent increase?

Mr. DOUGLAS. There are two estimates. The present total yield on class 2 is approximately \$47,000,000. It is pretty hard to estimate what a 10-percent increase would amount to. Normally it would be \$4,700,000. But the committee estimates \$3,500,000, because apparently they assume there will be some shrinkage in volume. My proposal is for a 20-percent increase each year, which would ultimately amount, after 3 years to 60 percent. With no shrinkage in volume, that would be approximately \$28,000,000, which would be diminished to the degree in which there would be shrinkage in volume, due to the higher rate, \$24,000,000 would be a fairly high figure. How much less it would be, I do not know.

Mr. LEHMAN. The figures are not entirely clear to me. The Senator refers to \$24,000,000. I should like to have him reduce the statement to words of one syllable, for my benefit. How much would be brought in by every 10-percent increase?

Mr. DOUGLAS. No. 1. Total receipts from second-class matter are now approximately \$47,000,000. An increase of 10 percent, assuming there is no shrinkage in volume is equal to \$4,700,000 per year. An increase of 30 percent would amount to \$14,100,000.

Mr. LEHMAN. At the end of the third year.

Mr. DOUGLAS. Yes. The committee estimates that their increase will bring in only \$10,000,000, because they are apparently allowing for some shrinkage in volume. My total estimate would be around \$28,000,000, subject to such reductions as would come from reduction in volume. I think it is probably safe to say it would bring in at least \$20,000,000. It might bring in a total of up to \$25,000,000.

Mr. LEHMAN. Mr. President, will the Senator yield further?

Mr. DOUGLAS. Yes.

Mr. LEHMAN. Am I correct in assuming, then, that at the end of the third year, under the Senator's amendment, assuming the figures in the report to be correct, there would be an increase of \$10,500,000 a year?

Mr. DOUGLAS. There would be an increase of \$20,000,000 at least over what we have now, possibly much larger; but from ten to fifteen million dollars more than the committee estimates under its present rate of increase of 30 percent over the 3-year period as proposed in the committee's bill.



Mr. LEHMAN. That is what I asked. Probably \$10,500,000?

Mr. DOUGLAS. Approximately a doubling of the amount that the committee estimates would bring in.

Mr. LEHMAN. The difference between the Senator's amendment and the committee amendment, the difference between 10 and 20 percent per annum—if the figures given in the estimate contained in the report are correct—would be a difference of \$10,500,000.

Mr. DOUGLAS. Roughly between \$10,000,000 and \$14,000,000 more revenue in my judgment will be brought in by my amendment than under the committee's amendment.

Mr. LEHMAN. What are the Senator's figures in regard to total cost of moving class 2 mail?

Mr. DOUGLAS. The Post Office Department, according to the table on page 27 of the committee report, says that the total cost of moving class 2 mail is slightly over \$225,000,000 a year, with receipts of \$44,000,000 a year, and with a deficit, therefore, on this type of mail of about \$180,000,000. That is on the basis of average costs, with transportation costs divided on the basis of poundage, and handling costs divided on the basis of pieces.

Mr. LEHMAN. Mr. President, will the Senator yield for one more question?

Mr. DOUGLAS. Yes.

Mr. LEHMAN. I do not live on an R. F. D. route, but I am very much interested in the remarks made by the Senator from Vermont [Mr. ARKEN], and I am very sorry he is not on the floor at the present time. I strongly favor providing for the dwellers on family-sized farms easy access to the reading of magazines and of newspapers. The Senator from Illinois has several times stated that those who he feels should be obliged to pay a larger cost of the distribution of class 2 mail are the large magazines, and, to a lesser extent, possibly the large dailies.

Mr. DOUGLAS. I will say that I think the increased costs will be borne in the main, either by the reduced profits of the publishers or by increased advertising rates, rather than in increased circulation rates to the subscribers.

Mr. LEHMAN. That may be.

Mr. DOUGLAS. That is true.

Mr. LEHMAN. Will the Senator yield for a moment more?

Mr. DOUGLAS. I yield.

Mr. LEHMAN. I am anxious to protect the readers of the farm population in obtaining newspapers at a reasonable cost.

Mr. DOUGLAS. But the Senator does not want to use them as a front to protect either the publishers or the advertisers.

Mr. LEHMAN. No. Will the Senator permit me to complete my question?

Mr. DOUGLAS. As the Senator's questions come at me I fight back.

Mr. LEHMAN. We have in New York a number of newspapers at Watertown, Binghamton, and Albany, that have a large farm circulation, almost as large as their urban circulation.

Mr. DOUGLAS. The free-in-county circulation is still retained. They can

circulate within the county without any charge whatsoever.

Mr. LEHMAN. I realize that.

Mr. DOUGLAS. It is not often realized that there is completely gratuitous service given to the county newspapers for all the copies which they circulate within the county. That is like the grace of God—completely free, without charge. So the families dwelling on the R. F. D. route within the county have that benefit.

Mr. UNDERWOOD. Mr. President, will the Senator yield?

Mr. LEHMAN. May I complete my question?

Mr. DOUGLAS. Yes.

Mr. LEHMAN. In view of what the Senator has said, I wonder whether he would be willing to accept an amendment to his amendment which would exempt from the additional payments newspapers, magazines, and periodicals having a circulation of less than 75,000?

Mr. DOUGLAS. Less than 75,000?

Mr. LEHMAN. Yes.

Mr. DOUGLAS. I shall give that suggestion very serious consideration.

Mr. LEHMAN. The point I have in mind is this: I referred a moment ago to the Watertown Times and the Binghamton Press, both very fine newspapers.

Mr. DOUGLAS. I am just as much concerned with the Illinois State Register, the East St. Louis Journal, and the Peoria Transcript as the Senator is with the Watertown Times, the Binghamton Press, and the newspapers published at Skaneateles and Schoharie.

Mr. LEHMAN. Let me say that I am not any more concerned with the Binghamton Press or the Watertown Times than I am with regard to other newspapers which are circulated in the United States. However, I am concerned that the rural population, whether it lives in Illinois, in Minnesota, in North Dakota, or in Florida, shall have an opportunity to get those newspapers. I repeat my question. I am very glad to hear the Senator say that he will take my suggestion under advisement. I ask the Senator whether he will exempt from the provisions of his amendment newspapers, magazines, and periodicals having a circulation of less than 75,000, whether those newspapers and periodicals are published in New York, Minnesota, Michigan, North Dakota, or Illinois. It seems to me that that would be a long step forward in this discussion.

Mr. DOUGLAS. I feel very favorably disposed toward the proposal of the Senator from New York. I will take it under advisement very seriously. However, I hope we shall realize that the main problem is not that of granting an exemption from the increase to a certain group.

Mr. JOHNSTON of South Carolina. Mr. President—

Mr. DOUGLAS. Mr. President, may we have order?

The VICE PRESIDENT. The Senator from South Carolina is addressing the Senator from Illinois to determine whether or not he will yield.

Mr. DOUGLAS. Let me finish the sentence, and then I shall be glad to yield.

The main question is whether we are going to collect a larger revenue from the big national magazines and huge metropolitan dailies, with circulations outside their cities.

I am glad to yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Speaking of exemptions, that question was before our committee this year and last year. I think the newspapers were unanimous, when their representatives appeared before us, in disapproving any limitation of that kind. The great trouble with the amendment now pending is not related to the number of subscribers. It goes deeper than that. There are some small daily newspapers throughout the United States which are in the same category with the five big magazines which have been mentioned. Some of the small dailies are on the verge of bankruptcy. Let not Senators be deceived into thinking that they would not raise the charge to their subscribers. That is what they would have to do. The increase would be passed on to the subscribers, if we were to go beyond what the committee has recommended in the bill, namely, a formula of 10-10-10. We have studied this question carefully. Every Senator on the committee knows that we studied it. The Senator from Kansas [Mr. CARLSON] sat throughout the hearings, day in and day out. I do not think he missed a day.

The newspapers opposed the exemptions which have been discussed, because a newspaper in the 7,500-subscriber class may be making more profit than a newspaper which has a circulation of 50,000. All these factors enter into the question. We have tried to write a bill which would not hurt the economy of the Nation, and which would at the same time raise some revenue. So far as the chairman of the committee and the other members of the committee are concerned, we are satisfied that the bill as written is as far as we should go at this time. We inserted in the bill the Carlson amendment, providing for a further investigation to see if we can break down certain classifications within the second-class bracket and do something with regard to the newspapers and magazines which are making enormous profits at this time. We want to raise as much revenue as we can without penalizing some of the smaller newspapers which are on the verge of bankruptcy.

Mr. DOUGLAS. Mr. President—

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. DOUGLAS. No; I should like to reply to the Senator from South Carolina, if I may.

As I understand it, a newspaper has unlimited free mail circulation within its county. Therefore in virtually every case—

Mr. UNDERWOOD. Mr. President—

Mr. DOUGLAS. Let me finish.

In most cases, therefore, the daily newspapers—not merely the weeklies, but the dailies—would have free circulation not only within their cities but



within the rural market areas outside their cities, if such areas lay within their counties. So there would not be much damage done to dailies. I think the Senator from New York was straining at a gnat, because most of the newspapers to which he refers circulate within their counties, and would have completely free circulation within them. If an amendment is needed to protect this particular type of newspaper, I certainly would be glad to consider it.

So far as the Carlson amendment is concerned, to which the Senator from South Carolina refers, providing for an investigation, I suggest that the investigating committee should have an abundant opportunity to determine whether the increase should be the 60 percent which I propose or the 100 percent which the Postmaster General proposes. The committee can operate in that field of investigation, rather than in the filed of investigation over 30 percent. I submit that we do not need to have a committee tell us that the rates on second-class matter should be increased by more than 30 percent.

Mr. UNDERWOOD rose.

Mr. DOUGLAS. The Senator from Kentucky has been trying to obtain the floor for some time. I am glad to yield to him.

Mr. UNDERWOOD. I know that the Senator wishes to be accurate in his statements. Then we will all do the best we can to reach accurate conclusions.

Mr. DOUGLAS. That is correct.

Mr. UNDERWOOD. So far as the free-in-county mailing privileges are concerned, they apply only to the small weekly newspapers of very limited circulation; and they apply only to the mail which is left in the post office.

They do not apply to the mail which is delivered by carrier or by rural routes.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I yield.

Mr. LONG. As a matter of fact, is it not true that the small newspapers which benefit from the free-in-county service are usually located in small towns where people go to the post office to get their mail? Even then, when we consider the increase in postal rates, many of those newspapers are delivered directly rather than being delivered through the mail.

A newspaper publisher from my home State came to see me. He represented the local newspapers in opposing the postal rate increase. I explained to him that we wanted to reduce the subsidies. He replied, "Senator, would you mind closing the door? I would like to talk in confidence." He said, "Senator, to be frank with you, we can very well stand the increase, provided it is not directed exclusively at us. I think you would be doing the right thing to vote for a general postal rate increase."

Mr. DOUGLAS. Mr. President, let me continue on the question of advertising revenue—

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I really have not had an opportunity to develop my argument at all.

The VICE PRESIDENT. The Senator declines to yield.

Mr. DOUGLAS. Each time I start to develop my arguments, some new bumblebee arises, and the stinger is applied. I should like to finish my argument, and then I shall be glad to yield to the Senator from Kansas.

Half an hour ago, when I was going into the question of newspapers and magazines being advertising agencies and not merely agencies for information and culture, I pointed out that this was a change from the situation which originally existed when the first Postal Act was passed, when newspapers and magazines had very little advertising.

The Postmaster General, in his testimony, showed the advertising revenues of some of the big national media. I will not give the names. I do not wish to hold any magazine up to notoriety. I am not crusading against any magazine or publisher. I merely want to correct the general abuse. However, there was one national magazine which had payments by advertisers in the year 1950 of \$80,365,000.

There was another national magazine which had a total income from advertising of slightly over \$63,180,000. A weekly magazine had an income of \$23,794,000 from advertising. A journal which circulates amongst the ladies had an income of \$22,485,000 from advertising. A magazine supplement which appears weekly had an advertising income of \$20,328,000. A monthly which helps the housewife and her husband to have more harmonious surroundings had an income of \$19,631,000 from advertising. Another national magazine had an income of \$17,715,000. Another weekly had an income of \$17,397,000, and still another an income of \$17,133,000. A monthly magazine had an income of \$15,373,000. Another magazine, which circulates among the ladies, had an income from advertising of \$11,775,000. A weekly magazine had an income of \$10,184,000. A monthly magazine had an income of \$9,940,000. A magazine which circulates in the country had an income from advertising of \$8,785,000.

Those are figures of enormous incomes derived from advertising. What is the use of our fooling ourselves? These great publications are primarily advertising media. That is where they get their income.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOUGLAS. I hope the Senator from North Dakota [Mr. LANGER] will permit me to pound the desk. The irony of it that these are the very publications which in their editorial columns denounce subsidies and insist on a balanced budget. Yet we are giving them large subsidies.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. DOUGLAS. Mr. President, I want to help these magazines to be more psychologically unified and at peace with themselves by reducing the amount of the subsidies which they oppose in principle but which they now receive.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOUGLAS. I have finished the first paragraph, so I shall yield to the Senator from Louisiana.

Mr. LONG. Are the figures which the Senator from Illinois has recited the net income or the gross income?

Mr. DOUGLAS. They are the gross income.

Mr. LONG. It is not the net income of the publications?

Mr. DOUGLAS. No.

Mr. LONG. However, it would be correct to say that the type of rate increase suggested by the Senator from Illinois would strike all of these publications alike. Therefore, if there were any advance in the advertising rates all magazines would probably simultaneously advance their rates, rather than any one of them being injured.

Mr. DOUGLAS. Yes.

Mr. LONG. That was the problem in the sawmill industry. The sawmill owners claimed that they could not stand an increase in costs. However, since each man had the same costs to contend with, no one was hurt.

Mr. DOUGLAS. The national magazines, whose figures I have read but whose identities I have concealed, have total advertising income running into the hundreds of millions of dollars. Any increase of from ten to fifteen million dollars for second-class mail matter would not bankrupt them. Neither would it necessitate an appreciable increase in advertising rates.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield to the Senator from Kansas, who has been trying to have me yield to him for some time.

Mr. CARLSON. I appreciate the Senator's yielding to me. First I should like to call his attention to one fact. He mentioned the great sums of money which have been collected by magazines for advertising. It should be remembered that their postage rates also have increased on the basis of the amount of advertising carried. That also has an effect on the postal increase received. However, that is not the point I wanted to make. The Senator has been talking about the effects of the postal rates on magazines. In that connection I refer him to testimony which was heard by our committee. Our committee spent weeks on the subject. We heard testimony from literally every branch of the publishing industry—magazines, dailies, weeklies, religious publications—

Mr. DOUGLAS. Religious publications are exempt from the proposed increase.

Mr. CARLSON. Yes; but I mentioned the fact that we heard a great deal of testimony on the subject, and I should like to invite the attention of the Senator from Illinois to the testimony which appears at page 181 of the printed testimony. The man who was testifying made this statement:

Mr. PUTNAM. My name is Borden R. Putnam. I am a partner in the accounting firm of J. K. Lasser & Co., 1440 Broadway, New York City.

J. K. Lasser & Co. specializes in the cost and accounting problems of a very large number of magazines. In addition to such work we make many surveys and studies of



all phases of the operations and economics of magazine publishing. Our firm has been active in this field for over 25 years.

We appear here at the request of the Emergency Committee of Small- and Medium-Size Magazine Publishers. The emergency committee has secured operating figures for the year 1950, from 207 magazines. These are small- and medium-sized magazines, none having a circulation of over 200,000, the majority with circulations of under 25,000 and a great many under 10,000. All of these magazines rely on second-class mail for distribution to readers, and because of their size, no other practical means of distribution is available to the publishers.

A table was submitted during the course of the testimony, and in connection with it the witness testified:

You will note that 38 percent of the 207 magazines we have for 1950 had a loss; that 50 percent of these magazines earned less than \$30,000; that 9 percent earned more than \$30,000 but less than \$75,000; and that only 3 percent earned more than \$75,000. The 3 percent actually consists of 6 magazines.

That is a problem with which the committee and the Senate are confronted. I submit, even though the amendment of the Senator from Illinois has much merit—because all of us want to reduce the deficit—that we must study the problem as the committee has studied it, very diligently and earnestly and sincerely, before we adopt a postal rate which will drive these magazines out of the mails.

When it comes to large publications, the higher we make the rates, the fewer the post office will carry. At the present time about the only ones who get any mail deliveries of national magazines are some rural subscribers. The rest of the magazines are sent by truckload and in railroad cars and distributed generally outside the mails.

Mr. DOUGLAS. I may say, in reply to the Senator from Kansas, that second-class-mail business, which in his concluding remarks he seems to say is so insignificant, amounted to about one-fifth of the mail poundage carried by the Government. It caused more than one-eighth of the total expenses of the Post Office Department. With a total second-class deficit of nearly \$200,000,000 it caused nearly 40 percent of the deficit.

We are dealing with large figures. With regard to the point about the difficulties of small magazines, it is most extraordinary to note the different attitude we take as between private business and public business. If a private business has to meet an increase in costs we assume it is natural and proper that it should increase its prices and make other adjustments. Apparently when public costs go up the taxpayers of the country, and not those who use the service, are expected to assume the costs. What we have had since 1945 has been a tremendous increase in costs, due to the increase in the cost of living and due to the fact that we have had an increase in postal pay and salaries. These have sent up the costs and created the deficit. The costs have gone up 60, 70, or 80 percent beyond the costs in 1945. Yet we have here the proposal that the users, those who profit from second-class matter, shall not bear part of the increased

cost, and that when we are dealing with a Government enterprise the taxpayers shall assume the costs, and not the users.

I know that the Senator from Kansas [Mr. CARLSON] is a fair man, that he never uses violent language, and that he is always fair in his argument, but I believe it is wrong to say that the public must assume losses which have occurred due to increased costs, when the Government performs a commercial service.

Mr. CARLSON. Mr. President, will the Senator yield at this point?

The PRESIDING OFFICER (Mr. SMATHERS in the chair). Does the Senator from Illinois yield to the Senator from Kansas?

Mr. DOUGLAS. I am glad to yield.

Mr. CARLSON. I wish to say to the distinguished Senator from Illinois that I wish we could provide for 100 percent, so far as I am concerned.

Mr. DOUGLAS. Then I ask the Senator to join me in favoring the 60 percent.

Mr. CARLSON. Yes, or even 20 percent more. I wish there could be no deficit in the handling of second-class mail. However, after weeks of testimony, I am convinced that we cannot do that. In fact, I went as far as I thought we could go by voting in favor of the 10 and 10 and 10. Our amendment in regard to the 10 and 10 and 10 would provide an increase of approximately \$4,000,000 a year, whereas the amendment submitted by the Senator from Illinois would call for an increase of \$8,000,000 a year. On the other hand, the present deficit is \$120,000,000 a year. So, after all, either amendment would provide only a very small increase percentage-wise. The present proposal is to provide that much of an increase at this time until we know definitely exactly what increase can be handled.

Mr. DOUGLAS. Mr. President, in Kansas a matter of \$12,000,000 may be treated as insignificant, but I always thought \$12,000,000 to be a very great deal of money. If there is a possibility of reducing the public deficit by \$12,000,000, I believe that even the affluent Kansas oil millionaires should take account of that fact. [Laughter.]

Mr. President, I wish to conclude in just a moment my presentation of the amendment.

I am aware that the committee labored long and diligently on this matter, and I ascribe to the committee the best of motives; I wish to make that point clear.

It is possible that at times there may flit across the minds of Members of the Senate the thought that if we increase the rates for the handling of newspapers and magazines, and particularly if there is a yea-and-nay vote on the question of increasing those rates, perhaps the newspapers and magazines may attempt to punish us in their editorial columns, thus possibly causing us to lose out politically.

Mr. President, I wish to say that I do not think that is a dominant thought in the mind of any Senator, although it is possible that occasionally that thought may flit across the minds of Sen-

ators. I must confess that this thought flitted across my mind last night when I was considering the advisability of submitting this amendment.

I wish to point out that some groups of newspapers and magazines have risen above their own economic interests, and are open advocates of this increase in the postal rates. One of them is the great chain of Scripps-Howard newspapers. All credit and honor to them, Mr. President, for taking the position that it is inconsistent for them to talk from one side of their mouth about the necessity of decreasing the Government's deficit and removing subsidies, and at the same time to talk from the other side of their mouth about providing a subsidy for themselves. So I wish to pay tribute to the stand which the great Scripps-Howard chain of newspapers have taken on this matter.

Mr. President, at this time I also wish to pay tribute to a great newspaper which has not been glowing or incandescent in favoring the senior Senator from Illinois. That newspaper is the Chicago Tribune, which, as is well known, does not look favorably upon the senior Senator from Illinois. Yet, Mr. President, common honesty compels me to say that the Chicago Tribune also has declared itself in opposition to subsidies, including this subsidy. So I say all honor to the Chicago Tribune for taking that position, and it deserves great praise for it, despite the fact that I think the Chicago Tribune makes great errors of judgment in what it says and thinks about the senior Senator from Illinois. [Laughter.]

Mr. President, I am saying that there is far more sense and far more patriotism among the newspaper editors and publishers and among the magazine editors and publishers in the United States than at times we may think there is. These great journals of opinion in their editorial columns oppose the payment of subsidies, demand a reduction in the Government's deficit and demand a balancing of the Government's budget in peacetime. These journals, which take what I regard as that very sound and very correct attitude in their editorial columns, are not going to punish the humble servants of the public who attempt to carry out this principle even upon the newspapers and magazines.

No, Mr. President; the ideological purity of these magazines and newspapers will rise supreme over the interests of their business offices; and the Members of Congress have nothing to fear from the newspaper industry for putting into effect the principles which the newspapers and magazines themselves wish to have applied to others, and which therefore in all fairness they should therefore expect to have applied to themselves.

In fact, Mr. President, I think we may find the newspaper industry hitting the sawdust trail and confessing that it has received this subsidy and humbly asking us to increase the rates the newspapers pay to the Post Office Department.

Mr. President, I now have concluded what I intended to say in regard to this matter.



The PRESIDING OFFICER. Does the Senator from Illinois yield the floor?

Mr. DOUGLAS. Yes, unless other Senators wish to ask me questions.

Mr. HUMPHREY. Mr. President, I should like to ask a question of the Senator from Illinois. I am sure he has considerable factual material available. I have heard from the Senator from Kansas and from other Senators about the dire economic straits which face some of the publishers, and that is true. I have heard testimony on that subject, for I served on the committee for 2 years, and I listened for two sessions to testimony on this subject and in regard to this measure.

So I think it is fair to ask this question of the Senator from Illinois: Does he have at his fingertips any information in regard to the increase in the cost of newsprint?

Mr. DOUGLAS. I do not, but, of course, the cost of newsprint has increased enormously.

Mr. HUMPHREY. Yes; even in recent months it has increased again.

Mr. DOUGLAS. That is correct.

Mr. HUMPHREY. I think it is fair to say that if a newspaper publisher can be assured of a fair price for newsprint, he will not be worried about a small fraction of a percent increase in the postal rate he has to pay, because it is not the postal rate which is causing the increase in the price of many magazines from 5 cents to 10 cents or even to 15 cents, the latter being an increase of 300 percent, and it is not the postal rate which has caused the costs of many magazines to rise as much as 300 percent in terms of newsstand sales. The reason for that increase in costs is the increase in overhead, including the cost of newsprint.

Having been chairman of a subcommittee which studied the newsprint problem, I suggest that we might better provide a subsidy for the increase in the cost of newsprint, rather than a subsidy in connection with the handling of the mailing of newspapers and magazines.

Mr. DOUGLAS. However, a subsidy for the purchase of newsprint by the newspapers and magazines would be called socialism, whereas a subsidy for the handling of the magazines and newspapers by the Post Office Department is regarded by many as essential.

Mr. MOODY. Mr. President, will the Senator yield?

Mr. DOUGLAS. Mr. President, I am glad to yield to a former newspaperman, who is the most experienced newspaperman in this body, and one whom we are delighted to have in the Senate.

Mr. MOODY. I thank the Senator. Would not it be a reflection upon the patriotism and propublic attitude of the newspapers to assume that they would wish to be subsidized by the Government?

Mr. DOUGLAS. I think that is true. Probably it is due to inattention on their part that they have not realized fully the amount of the subsidy which has been given to them, and probably that subsidy is a result of having their practices deviate from their principles.

Accordingly, by increasing the rates charged to them for handling the second-class mail, we shall bring their practice into accord with their principles.

So I am sure they will be in favor of such a change; and if by chance some of them are opposed to it, I believe that gradually, in time, they will become persuaded of the correctness of the change, and that split in their personality will be healed.

Mr. MOODY. Mr. President, will the Senator yield again?

Mr. DOUGLAS. I yield.

Mr. MOODY. Does not the Senator think that it would be a great service to the preservation of our free press and to the newspapers and magazines of our country if action were taken to break down the cartel or monopoly existing in the case of newsprint, so that both the small and the large newspapers and the magazines would have a fair price for the paper they must use? Would not a reduction in the price of newsprint be of far greater benefit to the newspaper and magazine industry in the United States than this subsidy on delivery by the taxpayers or other postage-rate payers?

Mr. DOUGLAS. Mr. President, the Senator from Michigan has made a very interesting suggestion.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. LEHMAN. The Senator from Illinois has read a list of the gross revenues—

Mr. DOUGLAS. I have read a list of the gross advertising revenues.

Mr. LEHMAN. Yes; the gross advertising revenues which accrue to various of our larger magazines and newspapers. Although the Senator did not mention the names of those publications, I thought I could read between the lines, so to speak; I thought his reference was rather thinly veiled.

I am not concerned about those newspapers. They have sufficient earnings and profits to be able to pay the very insignificant increase which now is proposed in the postal rates charged to them.

I am very frank to say that I was amazed to find how small a part of the cost of delivering second-class mail is covered by the revenues which are collected from the periodicals and newspapers in the United States. I thought the amount collected was a much larger percentage of the total cost.

As I understand from the Senator from Illinois, under present circumstances the deficit is approximately \$190,000,000 or \$200,000,000, and the amount that is provided by the newspapers and magazines is only approximately 25 percent of that amount.

Mr. DOUGLAS. That is correct—possibly 20 percent.

Mr. LEHMAN. But granting all that, I still am concerned about the effect of any substantial increase upon the reading public—those who live in the rural sections. I want to emphasize as strongly as I can that I am not thinking exclusively of my own State of New York; I

am thinking of all the States. All the States have rural populations, and I am afraid it will affect them very considerably. It is surprising to note the influence that some medium-sized newspapers, which do not enjoy the benefit of county-free distribution, have upon their communities, not only within their counties but in the entire surrounding area, in many counties.

Mr. DOUGLAS. May I reply to the Senator from New York?

Mr. LEHMAN. Yes; I yield the floor.

Mr. DOUGLAS. The Senator was Governor for the longest period of time of any Governor of the State of New York, and he was a great Governor. One of the problems with which he dealt as Governor of New York had to do with the regulation of private utilities within the State. He did a magnificent job in that respect, and we all honor him for it. We are honored to have him in the Senate.

Is it not true that every move which he made to regulate the utility rates was opposed on the ground that it would interfere with the income which the widows and orphans who owned stocks and bonds of the utility companies would receive? In other words, that situation was always picked out to indicate that it was impossible to reduce rates, and that the rates should be kept up. On the whole, I think the Governor of New York resisted the temptation to fall for that argument very effectively, and, on the whole, carried out a very good system of utility regulation. Now that he is a Senator, I hope he will resist the same arguments, as a Senator, with the same steadfastness and intellectual perception that he exhibited in resisting the arguments to which I referred when he was Governor of New York.

Mr. LEHMAN. If I may answer that statement of my distinguished friend from Illinois, I appreciate very much the very kind remarks, complimentary to me and my work, just expressed by the Senator from Illinois. There is no doubt that I was confronted with the situation he has mentioned. Pressure was exerted, but I wholly withstood it. I took no notice of it whatever, much as I sympathized with those who might be hurt by the more strict utility regulation. But I do not believe that the situations are entirely analogous. I feel strongly that the farm population, the rural population, a population which derives its information from a medium-sized paper, is so important in our economy and in our political life that I do not want to see them deprived of the fullest opportunity of securing the papers.

Mr. President, it may be thought a strange thing for me to say that. I am a city man, but I am deeply interested in the rural population, and I think there is danger. Whether it is sufficient to swing the scales in this particular issue, I do not presume to say, but I want to point out that I should not like to see anything done to make it more difficult for our rural populations to receive the service in the way of newspapers that they can otherwise enjoy. Many of the newspapers, with a circulation of from 40,000 to 50,000 and up to



75,000, have a far wider circulation geographically than I believe the Senator from Illinois realizes. One paper may serve five or six counties in up-State New York or in down-State Illinois; it makes no difference. My plea is that those papers be not hurt, though I realize the difficulty of this situation.

Mr. DOUGLAS. I may say to the Senator from New York that, so far as total revenues from advertising are concerned, I read the gross advertising income of only about 14 national periodicals. I made a hasty computation that this came to something over \$300,000,000. I think it is probably safe to say that the total advertisers' income of all the newspapers and magazines runs well over a billion dollars. This proposed increase must be somewhere between \$10,000,000 and \$15,000,000 a year above the committee figures, or from 1 to 1½ percent of total advertising income.

It is inconceivable to me that this increase could not either be absorbed (a) by publishers or (b) by advertisers, and the effect on increasing subscription rates would be relatively slight.

The second point I want to make ties up with the question which the Senator from Kentucky asked, namely, the question of what the free and county privileges are for dailies. I have consulted with the clerk of the committee, and I hope he will listen as I make this reply, and, if I am in error, that he will correct me. It is my understanding that the dailies as well as the weeklies have a free in-county rural circulation outside their cities, and the clerk of the committee now tells me that I am correct, provided they are not mailed to people who have city letter-carrier service. But that means that if circulated in the periphery of a city they can be carried free within the boundaries of the county.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield the floor, or I shall be glad to yield to the Senator from Kansas for a question.

Mr. CARLSON. No; I do not care to have the floor, but I wanted to be sure in regard to the "free in county" proposition. As I understand, when a daily newspaper is distributed in a county, if it is sent to a post office which does not have a carrier system it is distributed free of charge; the newspaper is placed in the box of the subscriber if he has a box. But in the case of a city where there is a carrier system, the distribution is not made free of charge; and if outside newspapers are mailed into that city, they are not delivered free of charge.

Mr. UNDERWOOD. Mr. President—  
The PRESIDING OFFICER. The Senator from Illinois has the floor. Does the Senator from Illinois yield the floor?

Mr. DOUGLAS. Mr. President, I desire to make one correction. I understand that in the case of a daily or dailies being distributed in cities which have letter-carrier service, the distribution is not free; but when the papers are circulated on R. F. D. routes or in small towns which do not have the letter-carrier service, it is free; and there is no distinction because of the size of the

paper, or because it is published daily or weekly.

I shall now be glad to yield the floor.  
Mr. UNDERWOOD. Mr. President, I do not desire to delay action on this bill, but certain statements have been made which I think should be answered, and I shall endeavor to answer them as briefly as I possibly can.

On the face of it, when we do not even know what "free and county" means, should we be here undertaking to figure out intricate matters of rates? The bill itself establishes a committee to make a careful investigation of postal rates and to recommend, if it is deemed wise, rates beyond the 30-percent increase which the bill provides. The reason for providing a graduated increase of 10 percent a year, with 10 percent additional the next year, and 10 percent additional the third year, was that many newspapers have received advance subscriptions for 2, 3, 4, or 5 years.

Mr. President, a wholly false picture of the situation has been presented. The distinguished Senator from Illinois has referred to the fact that there are newspapers which clamor against subsidies, yet, by the same token, it is suggested that the advertisers in the newspapers subsidize the mail circulation. We know, of course, that they simply will not do that.

If I may be pardoned a personal reference, I was for 7 years general manager of a newspaper, a position which I am glad to say I do not now occupy, so I do have some familiarity with the subject, some familiarity with rates, some familiarity with the use of the mails by newspapers, a familiarity which I hope I may be pardoned for saying has not been displayed at all times by all those who have commented upon the subject today.

The situation in regard to the charges for second-class mail is simply this: If there is a hospital in which there are pay patients on the eighth floor and no pay patients on the first seven floors, the question arises whether the price paid by the patients on the eighth floor can be raised to a sufficient extent to make up for the seven floors where there are free patients.

Agricultural publications, religious publications, fraternal publications, all types of such publications, pay a very low rate. We have already discussed with a great deal of enlightenment, and certainly with open-mindedness, the question of free mailing in counties. I do not think we need go any further into that subject. I can pursue it if any Senator wants me to do so, but I think we had better go ahead.

The question has been raised as to the poundage of newspapers. Anyone who ever had any experience in rate-making knows that a better rate is given to a customer who furnishes a continuous supply of articles to be serviced which will be there in a certain number every day. There is not a laundry in America that would not make rates on that basis. There is not a business one can think of that would not give concessions if it knew it would have a large volume every day, knew in advance what it was going to be, and where it was going, and could

make arrangements ahead of time as to handling and delivery.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. UNDERWOOD. I am glad to yield to the Senator from Illinois.

Mr. DOUGLAS. The Senator from Illinois is not ignorant of the arguments which the Senator from Kentucky is advancing. What the Senator from Kentucky is primarily saying is that we should consider the incremental cost rather than the average cost.

Mr. UNDERWOOD. Absolutely, because the costs we are figuring are based on a mass of theoretical figures that do not mean anything in the world. I know it from my experience as general manager of a newspaper. Whenever we wanted to raise advertising rates, we would get up a set of figures and show them to the advertisers. Into the figures we would put everything we could think of, such as sofas for the private car of the publisher, the cost of the shrubbery, and so forth. That is absolutely done now by the Post Office Department, and it is charging the cost to a certain class of mail matter, trying to divide up the poundage without giving any advantage to bulk.

Mr. DOUGLAS. Mr. President, will the Senator yield for another question?

Mr. UNDERWOOD. I yield.

Mr. DOUGLAS. Do I correctly understand that the practice of padding costs is common in the newspaper business?

Mr. UNDERWOOD. No; it is not common in the newspaper business. A newspaper has to charge either its advertisers or its circulation, and the Senator is proposing—

Mr. DOUGLAS. I thought the Senator was discrediting cost accounting by saying he had seen cost accounts treated in a fearful and wonderful fashion.

Mr. UNDERWOOD. I have.

Mr. DOUGLAS. If that be so, how can we trust newspaper figures as to the cost of carrying their product through the mail?

Mr. UNDERWOOD. I am suggesting that we have a thoughtful, intelligent, technical study made of the problem, which I think is the only way on earth to arrive at a satisfactory result. I would join gladly with my distinguished colleague from Kansas [Mr. CARLSON]—

Mr. DOUGLAS. Does not the Senator feel that plain common sense has a part in it?

Mr. UNDERWOOD. Absolutely.

Mr. DOUGLAS. May I follow that up?

Mr. UNDERWOOD. No. Let me answer the question. The Postmaster General, who was before our committee, said, "If we did not have the newspapers, we could probably cut down costs." I said, "Are you charging one-third of the cost of second-class business to every rural route in America?" He said, "Yes; if we did not have the newspapers, we could cut down the costs." I said, "How?" He said, "Maybe we could have only three rural deliveries a week." That is what we are coming to. We are taking the pathway to destroy the usefulness of the post offices to the residents of the rural district of America.



Mr. DOUGLAS. Since the Senator has admitted that common sense should govern in this matter, I should like to ask whether common sense does not indicate that costs have increased enormously since 1879, although costs of second-class matter have virtually not increased, and whether common sense does not indicate that costs have increased since 1920 although rates on second-class matter are now less than they were in 1920?

Mr. UNDERWOOD. Yes.

Mr. DOUGLAS. And we have to use common sense instead of elaborate hypothetical arguments of the theoretical-minded publishers.

Mr. UNDERWOOD. I wish the Senator would permit me to answer him a little bit at a time, because he almost makes me forget what he is asking.

Mr. DOUGLAS. I said that costs have gone up very much since the 1920's.

Mr. UNDERWOOD. The Senator has to bear in mind historical principles. The Senator advocates increasing the rate 60 percent—

Mr. DOUGLAS. Twenty percent a year for 3 years, in graduated steps.

Mr. UNDERWOOD. The bill proposes to increase the rate 30 percent in 3 years.

Mr. DOUGLAS. Would the Senator favor an amendment which would increase the rate 10 percent for each of 10 years?

Mr. UNDERWOOD. No. I would favor increasing it 10 percent for 3 years, and, in the meantime, allow the committee for which the Carlson amendment provides, to make its study.

Mr. DOUGLAS. How long has the subject already been studied?

Mr. UNDERWOOD. For 2 or 3 months.

Mr. DOUGLAS. I have been a Member of the Senate for approximately 2½ years, and throughout that time the Committee on Post Office and Civil Service has been carrying on such a study.

Mr. LANGER. It has been over 11 years.

Mr. DOUGLAS. The Senator from North Dakota says it has been over 11 years.

The PRESIDING OFFICER. The Senator from Kentucky has the floor, and if the Senator from Illinois will address the Chair and request the Senator from Kentucky to yield, the Senate will be able to proceed in better fashion.

Mr. CARLSON. Mr. President, will the Senator from Kentucky yield?

Mr. UNDERWOOD. I yield.

Mr. CARLSON. I think the Senator will give our committee credit for bringing in a recommendation for an increase in the second-class-mail rate.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. UNDERWOOD. I shall decline to yield further.

Mr. President, a great deal has been said about the poor people of the country. There are many poor people. I am just as much interested in them as anyone could be. Every bit of the proposed increase in the rate is going to be paid for by the poor people. There is no newspaper mail circulation in the cities.

No one is getting newspaper mail circulation but the country people. There is some circulation of newspapers by mail in the towns, but there is not a newspaper in America which cannot operate a truck and deliver its papers. They are doing so today. Some newspapers do not distribute more than 1 or 2 percent of their circulation by mail. Only a small part of the total newspaper circulation is mail circulation. Mail circulation of newspapers goes to the country people. It brings in a much smaller amount, because newspapers sometimes charge half as much for a mail subscription as they do for a local subscription, which is delivered by a carrier.

I still think the newspapers are a fine influence. I could pick out, of course, the ones which I like, for I have some ideas as to which ones were better than others [laughter]; but, on the whole, I believe the reason why our civilization in America today stands free and constitutes a citadel of freedom in this world is that we have had a free press, and because we have had newspapers going, not to a few people in the cities who can afford city deliveries, but going through the post office every day in the year, through sleet and snow and winter's blast—whatever the inscription on the city post office is—so every day at the breakfast table on the farms of the country the newspapers are available.

Someone might say, "They do not add anything to public enlightenment." One who says that will find out otherwise if he speaks to a man who has not read a newspaper for 15 years.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. UNDERWOOD. I yield.

Mr. McMAHON. I am glad the Senator did not give them an all-embracing blanket of praise, because there are some hoodlums running newspapers in this country.

Mr. UNDERWOOD. Certainly there are.

Mr. President, I join with those who are trying to bring enlightenment through and behind the iron curtain and to the four corners of the earth. I am in favor of that program. I believe the only hope for this world is that its people may become enlightened. I believe, however, it would be a tragedy to withdraw from the rural residents the enlightenment on public affairs they have enjoyed since rural free delivery was established.

Mr. LONG. Mr. President, I wish to say a few words in support of the amendment. I understand that today we are spending three or four times as much to subsidize the press of the United States in just second-class mail privileges, as we are spending for the Voice of America. We need the Voice of America to defend this country; yet we are spending about one-fourth as much on the Voice of America as we are to subsidize the American press.

We are told that we ought to study this matter longer. I believe probably the strongest support we have for the Douglas amendment comes from former members of the Committee on Post Office

and Civil Service. When I was a member of that committee, we had a subcommittee headed by the Senator from West Virginia [Mr. NEELY], and I believe the Senator from Minnesota [Mr. HUMPHREY] was a member of the subcommittee. They studied the subject endlessly. They held enough hearings to make a stack 18 inches high, and they heard everyone who cared to be heard. After about 6 months of hearings, the subcommittee reported a bill providing for a little bit of an increase in rates, but the newspapers said, "We cannot afford that increase." So the proposal was placed before still another subcommittee, and they studied the matter during the remainder of the session of that Congress. Finally, in the last part of the session, a bill was reported.

Mr. President, I can understand why Senators who are not now members of the committee, but who were formerly on the committee, are probably more in favor of increases in rates than Senators who are members of the committee now, because they are no longer under as great pressure as they were formerly. They are a little bit further removed from the problem itself.

Here we have a class of mail which is subsidized to the point that for every dollar the post office takes in, the cost to the post office is \$6. So what will come forth as a result of further investigation? Perhaps we will raise the rate over a period of several years, gradually getting it to a point where the cost to the Government will be \$6 for every dollar and 60 cents collected by the Government. That is what the Douglas amendment means, and to the Senator from Louisiana that seems to be reasonable. That would be about a 4-to-1 subsidy. For every dollar the post office would collect, it would render \$4 worth of service. That is one of the greatest subsidies the Government pays. It would seem that the newspapers and magazines, if they received a 4-to-1 subsidy on mail service, should feel that they were being treated reasonably well. It certainly seems so to the Senator from Louisiana.

Therefore, I see no reason why we should not raise the rates. I believe that Senators will find that once we get the rates a little bit more in line with what they should be, still leaving a subsidy for second-class mail, the publishers will admit it is justified. They may be screaming just as much about subsidies as they are now, but taking it with much more grace than they do today.

Mr. HUMPHREY. Mr. President—

Mr. DOUGLAS. I ask for the yeas and nays on my amendment.

Mr. HUMPHREY. Mr. President, I merely want to join with the Senator from Louisiana and the Senator from Illinois in what they have said about the amendment. As the Senator from Louisiana said, I was a member of the subcommittee handling this subject for 2 years. The committee which has now reported the bill has made much more progress this year than we were able to make 2 years ago, as they have gone much further than we were able to



go at that particular time. The Senator from Louisiana is absolutely correct, that insofar as the second-class postal rates were concerned, we were toying around with a 5-percent increase, and the newspapers said it was too much of an increase. It was said we would have to have more hearings. Now it is proposed to make an increase of 10 percent.

I wish to suggest to the Senator from Illinois that inasmuch as the 60 percent seems to some to be such an awfully heavy increase, and since the problem can be studied, if enough men can be put at it, so that in at least 1 or 2 years some reasonably factual material can be gathered together, perhaps we should make it 20 percent for the first year and 20 percent for the second year, giving 2 years to a study of the subject. Then there would be at least a 10-percent greater increase than is proposed at the present time. I make the suggestion to the Senator because to me it appears that it is inequitable to call for only a 10-percent rate increase on second-class mail when the increase on first-class mail averages more than 30 percent.

There is one other point which I think has not been given adequate consideration. The Senator from Kentucky [Mr. UNDERWOOD] made a most persuasive argument. He is an experienced member of the newspaper profession, a distinguished colleague, and a fine Senator. He knows very well, however, that the major item today in the publishing business is not postage; the major item happens to be the overhead cost of labor and professional talent, which is reflected in the cost of newsprint and the special paper which is used for the slick publications.

I submit that the publishers have done a disservice to the Post Office Department by submitting evidence that a postal-rate increase would literally bankrupt them. For example, I read here a moment ago from the Parent's magazine a statement to the effect that an increase of 100 percent would put the publishers out of business. I submit that a 100-percent rate increase might put the publishers out of business if it went into effect in 1 year. But I submit that today it is patently obvious that the real costs which have hurt the publishers are not the costs which have been put on by the Government, by the postal rates, because the Senator from Illinois has placed before us evidence which cannot be contradicted, that since 1921 there has been no rate increase whatsoever. So that the financial condition of the publishers is not due to the Post Office Department. It is due to the newsprint costs, to labor costs, to professional costs, to the costs of interest, capital costs, to taxes, and to other things, but it surely is not due to the postal rates.

Mr. UNDERWOOD. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. UNDERWOOD. Granted that the trouble might be a toothache, is the Senator going to step on a man's foot as hard as he can in order to aggravate the situation?

Mr. HUMPHREY. I shall be very glad to answer that question. We are not stepping on the man's foot at all. The Senator has given his own answer. The Senator from Kentucky has said that even if we make these rate increases, they will be borne by the average man, the poor man. So the publisher will not be a bit worse off, according to his own argument. I submit, however, that there are some publishers who could absorb a little of the increase, and they will.

Any man who has been in the newspaper business, the magazine business, or any other business knows that when it comes to subscriptions in the rural areas, the subscription rate price has nothing to do with the cost of publishing the periodical. The subscription rate price has one reason behind it. The subscription rate is held low so that the publisher can show the advertiser that he has a large number of subscribers, and in order that advertising rates may be increased. In many instances the publishers are willing to give away magazines in order to have a high subscription list, so that they can get a high advertising rate. That is good business. I submit that the rates can be increased on these publications to the extent that it would cost 2 or 3 cents more to deliver them; but it would not cost the subscriber a cent more. As a matter of fact, the subscription price might be reduced.

Since 1945 the amount of newsprint used for advertising has been 50 percent in excess of the total used before 1945. Advertising is at an all-time high.

Mr. DOUGLAS. Both in volume and in rates.

Mr. HUMPHREY. Both in volume and in rates. The Senator is absolutely correct.

I also submit that if at the present time we have an increase in postal rates it will not be inflationary. We have supposedly been controlling inflation. This is one way to help control it just a little more.

This increase is not going to penalize Mr. Farmer. Let us make it perfectly clear that Mr. Farmer will still be able to buy his magazine at the same price he pays now, so far as postage rates are concerned.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LONG. The Senator spoke about magazines. The junior Senator from Louisiana once owned a little college-humor magazine. He might be embarrassed today at some of its contents, but it was published on the campus.

Mr. HUMPHREY. I have read some of the issues of that publication in Louisiana. I understand that it was not only humorous but profitable.

Mr. LONG. This is the usual problem of a small magazine owner: It costs about 25 cents a copy to publish an edition. It costs from 5 to 7 cents to sell each individual copy. On the other hand, if delivery is made through the mails, the cost is reduced from 5 cents to one-half of 1 cent a copy. So the Government subsidizes magazine pub-

lishers to a ridiculous extent. Anyone who owns a magazine knows that to be so. It makes good sense to keep in mind something with respect to the cost of delivering these publications.

Mr. HUMPHREY. I thank the Senator.

I wish to point out in conclusion that there was no protest made in this body, and not one United States Senator complained when the price of a 5-cent magazine went up to 15 cents. That magazine goes to the rural areas. The increase was not due to postage rates. The postage rates are the same old rates that were in effect when Hayes was President of the United States back in 1879—as I recall he squeezed into the Presidential office in 1876. No one has complained about the fact that the price of many 5-cent publications has gone up as much as 200 or 300 percent. Why? Because, it is said, costs have increased. But the postage costs have not increased. As I have pointed out, newspaper advertisement rates have gone up as much as 70 percent in the past 15 years, and the rates for magazine advertising have gone up as much as 40 percent in the past 15 years.

I want to see the magazines prosper, but I challenge the chairman of the committee or anyone else to testify to the contrary of what I am saying now, that there are more business casualties in the publishing business than almost any other business in America. Many small publishers come and go. We cannot regulate postal rates on the basis of publishers who come and go, who are here one day and gone the next, with some sort of "rag" publication—not the "slick" magazine, but the "pulp" magazine. We cannot regulate rates in order to keep such a publisher in business. It cannot be done. Even if he had free postage he would still go out of business.

What are we asking for? We are asking that a gross economic injustice on the rest of the business community of America and the rest of the country, in fact, be somewhat rectified. We are asking that there be a 20-percent increase in rates. As the Senator from Illinois has said, on the basis of common sense it seems patently fair, with the cost of living having gone up well over 100 percent since 1921, to make a 20-percent increase in postage rates. It seems to me that a 20-percent increase is not exorbitant. We can make an increase of 20 percent this year, 20 percent the second year, and 20 percent the third year. If the 20-percent rate is found to be too high after the study has been completed, Congress can always act to reduce the rate. However, I submit that it will not be found to be too high. So I join the Senator from Illinois in his amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS].

Mr. JOHNSTON of South Carolina obtained the floor.

Mr. DOUGLAS. I ask for the yeas and nays.

Mr. JOHNSTON of South Carolina. Mr. President, I have listened to the de-



bate on the bill. I notice that some of the Members who were on the committee for 2 years previously, when nothing was done, are now asking for more than was proposed when they were on the committee, as was acknowledged here on the floor. They wrestle for 2 years over the matter of a 5-percent increase. Now, when the committee reports a bill providing for a formula of increase of 10-10-10, and is trying to increase revenue not only in one classification, but all along the line, to the extent of \$375,000,000, Senators talk about one little item in the bill, which would involve an increase of probably \$4,000,000. That is what would be involved in the amendment now pending before the Senate.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON of South Carolina. I shall be glad to yield when I get through.

The committee held hearings. Some Senators who have spoken today did not hear a single witness testify in regard to the particular amendment now pending. Many witnesses came before the committee. Many of them told us, "If you were to make an increase on the basis of the 20-20-20 formula, some of the smaller newspapers of the land could not stay in business."

That is the situation we are facing today. I do not want to jeopardize newspapers. We have heard much about the Voice of America. We have heard comparisons made between the cost of subsidies to newspapers and magazines and the cost of the Voice of America. I think it has been estimated that about three or four times as much is being spent in providing subsidies for newspapers and magazines as is being spent for the Voice of America. I believe that what the newspapers of America are doing at home is worth 10 times as much as what the Voice of America is doing.

The committee has given many months of careful consideration to this problem. We are trying to provide some increase in revenue without harming our American way of distributing the news of America.

We have made provision in this bill for something which has not been provided for heretofore. We have provided for a joint committee of the House and Senate to make a careful study of the rate structure, and of cost ascertainment.

It should be borne in mind that second-class mail is handled a little differently from first-class mail. Sometimes a truckload of second-class mail is taken to the post office, and that truckload of second-class mail is carried to some little town and distributed from there. They charge it up, under their system of cost ascertainment, on the basis of the number of pieces. That being true we want to make a thorough study of what it is right and just to charge. We feel that they should pay a little more, and we have advocated in the bill a charge of 10 percent, 10 percent, and 10 percent. I hope the Senate will back up the committee in its recommendation and reject the amendment which is pending before the Senate.

Mr. LONG. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. Yes, gladly.

Mr. LONG. The Senator from South Carolina made reference to former members of his committee who were not in favor of raising the rates as much as is now proposed. I would suggest that the Senator check into the record, particularly with reference to the Senators he has in mind. He may find that they were the Senators who were in favor of much greater increases.

Mr. JOHNSTON of South Carolina. I shall be glad to do so.

Mr. LONG. The junior Senator from Louisiana was one of them.

Mr. JOHNSTON of South Carolina. I will acknowledge that we had a problem in the committee, and that some Senators did not want to go as high as 5 percent.

Mr. LONG. The junior Senator from Louisiana was one of those who did want to make a substantial increase.

The PRESIDING OFFICER. The question is on agreeing, en bloc, to the amendments offered by the Senator from Illinois [Mr. DOUGLAS].

Several Senators requested the yeas and nays.

The yeas and nays were ordered and the Chief Clerk proceeded to call the roll.

Mr. FULBRIGHT (when his name was called). I have an interest in a small paper in Arkansas, and the pending amendment may affect me personally. I ask unanimous consent to be excused from voting on the amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Arkansas is excused from voting.

The roll call was concluded, and the vote was recapitulated.

Mr. DOUGLAS. Mr. President, let me inquire how the senior Senator from Ohio is recorded on this vote.

Mr. TAFT. Mr. President, I ask to be excused from voting because of an interest which I have in a newspaper.

The PRESIDING OFFICER. Without objection, the Senator from Ohio is excused from voting.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON] is absent by leave of the Senate.

The Senators from Virginia [Mr. BYRD and Mr. ROBERTSON], the Senator from Louisiana [Mr. ELLENDER], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Rhode Island [Mr. GREEN], and the Senator from Montana [Mr. MURRAY] are absent on official business.

The Senator from Mississippi [Mr. EASTLAND] is absent because of illness.

The Senator from Washington [Mr. MAGNUSON], the Senator from Nevada [Mr. McCARRAN], and the Senator from Alabama [Mr. SPARKMAN] are absent by leave of the Senate on official business, attending the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Oklahoma [Mr. MONRONEY] is necessarily absent.

The Senator from North Carolina [Mr. SMITH] is absent by leave of the Senate,

attending the meeting of the Inter-parliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

I announce that on this vote the Senator from Tennessee [Mr. KEFAUVER] is paired with the Senator from Maryland [Mr. BUTLER]. If present and voting, the Senator from Tennessee would vote "yea" and the Senator from Maryland would vote "nay."

Mr. HENDRICKSON. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Maryland [Mr. BUTLER], the Senator from Missouri [Mr. KEM], and the Senator from Minnesota [Mr. THYE] are absent on official business.

The Senator from Ohio [Mr. BRICKER], the Senator from Vermont [Mr. FLANDERS], the Senator from California [Mr. NIXON], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Utah [Mr. WATKINS], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Wisconsin [Mr. WILEY] are absent on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Michigan [Mr. FERGUSON] is absent by leave of the Senate to attend the meeting of the Inter-parliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from California [Mr. KNOWLAND], and the Senator from New Jersey [Mr. SMITH] are absent by leave of the Senate on official business to attend the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif. If present and voting the Senator from New Jersey [Mr. SMITH] would vote "nay."

The Senator from Massachusetts [Mr. LODGE] is absent by leave of the Senate, and if present, he would vote "nay."

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The Senator from Indiana [Mr. CAPEHART], the Senator from Pennsylvania [Mr. DUFF], and the Senator from Idaho [Mr. WELKER] are detained on official business.

On this vote the Senator from Maryland [Mr. BUTLER] is paired with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting, the Senator from Maryland would vote "nay," and the Senator from Tennessee would vote "yea."

The result was announced—yeas 28, nays 32, as follows:

#### YEAS—28

Benton	Johnson, Colo.	McKellar
Chavez	Johnson, Tex.	Moody
Connally	Kerr	Neely
Douglas	Kilgore	Nixon
Dworshak	Langer	Russell
Frear	Lehman	Smith, Maine
George	Long	Stennis
Hayden	Maybank	Williams
Holland	McClellan	
Humphrey	McFarland	

#### NAYS—32

Alken	Dirksen	Ives
Bennett	Eaton	Jenner
Butler, Nebr.	Gillette	Johnston, S. C.
Calhoun	Hendrickson	Malone
Carlson	Hennings	Martin
Case	Hill	McCarthy
Clements	Hoey	McMahon
Cordon	Hunt	Millikin



Mundt  
O'Connor  
O'Mahoney

Pastore  
Schoeppel  
Smathers

Underwood  
Young

## NOT VOTING—36

Anderson  
Brewster  
Bricker  
Bridges  
Butler, Md.  
Byrd  
Capehart  
Duff  
Eastland  
Ellender  
Ferguson  
Flanders

Fulbright  
Green  
Hickenlooper  
Kefauver  
Kem  
Knowland  
Lodge  
Magnuson  
McCarran  
Monroney  
Morse  
Murray

Robertson  
Saltonstall  
Smith, N. J.  
Smith, N. C.  
Sparkman  
Taft  
Thye  
Tobey  
Watkins  
Welker  
Wherry  
Wiley

So Mr. DOUGLAS' amendment was rejected.

Mr. LONG. Mr. President, I submit the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

Mr. LONG. Mr. President, I ask that before the amendment is read, I may be allowed to explain it.

The PRESIDING OFFICER. The Senator will suspend until the amendment is read.

The LEGISLATIVE CLERK. On page 15, in line 10, it is proposed to change the figure 10 to 20; and on page 15, in line 12, to change the figure 10 to 20.

On line 14, after the colon, it is proposed to insert the following:

*Provided, That for newspapers qualified for second-class mailing privilege the rates herein provided shall be increased by 10 percent, beginning on the first day of the second quarter beginning after the approval of this act and by an increase of 10 percent, based on the rates now in force, to take effect each year thereafter over a period of 2 years:*

Mr. HENDRICKSON. Mr. President, will the Senator from Louisiana yield long enough to permit me to make an inquiry of the distinguished majority leader?

Mr. LONG. Yes; I ask unanimous consent that I may yield for that purpose.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HENDRICKSON. Mr. President, I wonder whether the distinguished majority leader is willing to give the Members of the Senate some idea at this time in regard to the program for the remainder of today and on through Monday, so that we may know how to plan.

Mr. McFARLAND. It was our hope that we would be able to finish the pending postal rate bill, the bill to increase the salaries of postal employees, and the bill to increase the salaries of the classified group of employees, and of the Government; but now it is apparent that today we cannot finish the latter two bills, as well as the pending bill. However, I certainly hope we complete action on the pending bill, because on Monday we shall have to take up the Defense Establishment appropriation bill.

Mr. JOHNSTON of South Carolina. Mr. President—

Mr. LONG. Mr. President, let me inquire whether the majority leader has finished his statement.

Mr. McFARLAND. Yes, I have.

Mr. LONG. Then, Mr. President, I decline to yield further until I explain the amendment I have just submitted.

The amendment I have offered seeks substantially to accomplish what the Senator from Illinois has just failed to do by means of his amendment, which has been rejected. In other words, the amendment of the Senator from Illinois would have increased the rates on second-class mail. The difference between his amendment and mine is that his amendment would have increased the rates on both newspapers and magazines, whereas my amendment would increase the postal rate only on magazines.

In my opinion the best argument against the amendment of the Senator from Illinois is that many small newspapers are doing business in small communities on a marginal basis, and an increase in the postal rate they have to pay might injure them most seriously, whereas, on the other hand, most of the fancy or slick-paper magazines could very well stand an increase in their postal rate and, as a matter of fact, can increase their subscription rates whenever they wish to do so. As a matter of fact, some of them increase their subscription rates almost from month to month.

So I believe my amendment may meet the objections which many Senators had to the amendment submitted by the Senator from Illinois.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question.

Mr. McCLELLAN. What I have to say is not exactly a question. Let me say that I voted for the amendment of the Senator from Illinois because I thought it did not apply to the country newspapers, but applied only to magazines.

Mr. LONG. No; the amendment of the Senator from Illinois applied to newspapers, as well. However, my amendment applies only to magazines.

Mr. McCLELLAN. Mr. President, I compliment the Senator from Louisiana on his amendment, and I shall support it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana.

Mr. LONG. Mr. President, I ask for the yeas and nays on this question.

The yeas and nays were ordered.

Mr. CARLSON. Mr. President, I do not expect to detain the Senate for more than 2 minutes.

I wish to call attention to a statement which I read into the RECORD earlier this afternoon, in regard to what will happen if we place this additional burden upon a large number of small magazines in the United States. I shall not repeat the statement I read into the RECORD earlier, but I shall read only a few lines of the testimony which was given in regard to what would happen under such circumstances.

The testimony which was presented to our committee was that serious financial difficulty would be experienced by a large number of magazines if the rate were increased.

I read now from page 184 of the hearings, where we find the testimony of what would happen in such case:

You will note that 38 percent of the 207 magazines we have for 1950—

The reference is to the magazines which were serviced by that organization—

had a loss; that 50 percent of these magazines earned less than \$30,000; that 9 percent earned more than \$30,000, but less than \$75,000; and that only 3 percent earned more than \$75,000. The 3 percent actually consists of six magazines.

Mr. President, that is the testimony which was submitted to our committee.

So I urge the Senate to reconsider most seriously before it votes to place the proposed tax on all magazines, inasmuch as such a tax probably would destroy many of the magazines now published in the United States.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON] is absent by leave of the Senate.

The Senators from Virginia [Mr. BYRD and Mr. ROBERTSON], the Senator from Louisiana [Mr. ELLENDER], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Rhode Island [Mr. GREEN], the Senator from Arizona [Mr. HAYDEN], and the Senator from Montana [Mr. MURRAY] are absent on official business.

The Senator from Mississippi [Mr. EASTLAND] is absent because of illness.

The Senator from Washington [Mr. MAGNUSON], the Senator from Nevada [Mr. McCARRAN], and the Senator from Alabama [Mr. SPARKMAN] are absent by leave of the Senate on official business, attending the conference for the signing of the Japanese Peace Treaty at San Francisco, Calif.

The Senator from Oklahoma [Mr. MONRONEY] is necessarily absent.

The Senator from North Carolina [Mr. SMITH] is absent by leave of the Senate, attending the meeting of the Interparliamentary Union at Istanbul, Turkey, as a delegate from the Senate.

I announce that on this vote the Senator from Arizona [Mr. HAYDEN] is paired with the Senator from New Jersey [Mr. SMITH]. If present and voting, the Senator from Arizona would vote "yea," and the Senator from New Jersey would vote "nay."

I announce further that on this vote the Senator from Tennessee [Mr. KEFAUVER] is paired with the Senator from Maryland [Mr. BUTLER]. If present and voting the Senator from Tennessee would vote "yea," and the Senator from Maryland would vote "nay."

Mr. HENDRICKSON. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Maryland [Mr. BUTLER], the Senator from Missouri [Mr. KEM], and the Senator from Minnesota [Mr. THYE] are absent on official business.

The Senator from Ohio [Mr. BRICKER], the Senator from Vermont [Mr. FLANDERS], the Senator from California [Mr. NIXON], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Utah [Mr. WATKINS], and the Senator



from Nebraska [Mr. WHERRY] are necessarily absent.

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The Senator from Massachusetts [Mr. LONGE] is absent by leave of the Senate, and if present, he would vote "nay."

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The Senator from Indiana [Mr. CAPEHART], the Senator from Pennsylvania [Mr. DUFF], the Senator from Ohio [Mr. TAFT], and the Senator from Idaho [Mr. WELKER] are detained on official business.

On this vote the Senator from Maryland [Mr. BUTLER] is paired with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting, the Senator from Maryland would vote "nay" and the Senator from Tennessee would vote "yea."

Also, on this vote the Senator from New Jersey [Mr. SMITH] is paired with the Senator from Arizona [Mr. HAYDEN]. If present and voting, the Senator from New Jersey would vote "nay" and the Senator from Arizona would vote "yea."

The result was announced—yeas 36, nays 24, as follows:

## YEAS—36

Benton	Humphrey	McClellan
Chavez	Hunt	McFarland
Connally	Jenner	McKellar
Douglas	Johnson, Colo.	Moody
Dworshak	Johnson, Tex.	Neely
Frear	Kerr	Nixon
Fulbright	Kilgore	O'Connor
George	Langer	O'Mahoney
Hennings	Lehman	Russell
Hill	Long	Smith, Maine
Hoey	Maybank	Stennis
Holland	McCarthy	Williams

## NAYS—24

Alken	Dirksen	McMahon
Bennett	Ecton	Millikin
Butler, Nebr.	Gillette	Mundt
Cain	Hendrickson	Pastore
Carlson	Ives	Schoeppel
Case	Johnston, S. C.	Smathers
Clements	Malone	Underwood
Cordon	Martin	Young

## NOT VOTING—36

Anderson	Green	Robertson
Brewster	Hayden	Saltonstall
Bricker	Hickenlooper	Smith, N. J.
Bridges	Kefauver	Smith, N. C.
Butler, Md.	Kem	Sparkman
Byrd	Knowland	Taft
Capehart	Lodge	Thye
Duff	Magnuson	Tobey
Eastland	McCarran	Watkins
Ellender	Monroney	Welker
Ferguson	Morse	Wherry
Flanders	Murray	Wiley

So Mr. LONG's amendment was agreed to.

Mr. DOUGLAS. I move to reconsider the vote by which this amendment was adopted.

Mr. LONG. I move that the motion be laid on the table.

The VICE PRESIDENT. The question is on agreeing to the motion to table the motion of the Senator from Illinois. The motion was agreed to.

Mr. LONG. Mr. President, since the motion I propose to make is subject to a motion to lay on the table, I propose to explain it first. The Senate yesterday voted to strike out one of the proposed increases which, in the judgment of the junior Senator from Louisiana, is one of the best and most fully justified increases to be found in the entire measure. The distinguished chairman of the committee has been a little bit hurt by the fact that a former member of his committee had been proposing so many increases and so many changes in his bill. This is once when the junior Senator from Louisiana is going to join forces with his former chairman to see whether we cannot put back into the bill something which was taken from it.

I refer, Mr. President, to the increase in the rate on third-class mail. This mail primarily serves the mail-order business. It is solicitation mail. Here is a situation in which a person, let us say, selling articles by mail order can compete with the local merchant by sending an advertisement through the mail at a cost of about 1 cent, and which costs the Government about 2.8 cents; and only in the event the person replies saying that he wants to order something, using a return card, would there be additional postal revenue.

It has been learned by the committee that mail of this kind costs the Government about \$100,000,000 a year. I believe it costs about twice as much as the Government collects, and it adds to the deficit about \$140,000,000 annually.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. LONG. I will yield if the Senator will wait one moment until I can explain my proposal.

A particular case came to the attention of the junior Senator from Louisiana which shows how completely unjustified this tremendous subsidy is on this class of mail.

A former classmate of mine at college, who was in the mail-order business, came to me and said, "I have a small marginal business, and I am afraid you are going to run me out of business if you increase the postal rates." I went with that friend of mine and helped him to present his case to the Postmaster General. The answer which the Postmaster General gave was so startling that I was embarrassed. The Postmaster General pointed out that while my friend was in a marginal business making about \$3,000 or \$4,000 a year, he was costing the Federal Treasury about 10 times that amount, and that it would be much cheaper to put my friend on a pension for the rest of his life than to pay the enormous losses he was occasioning the Federal Treasury.

Every citizen of the United States has the privilege of going into the mail-order business and charging the Federal taxpayers 50 percent of the actual cost of delivering mail. That is too much. The mail-order houses are competing with

every local merchant in the United States. If a mail-order house does not sell a suit, the local merchant is going to sell it. If the mail-order establishment does not sell any particular bill of goods, someone else will sell it. It is not fair to charge this enormous bill to the taxpayers of the United States. If a person wants to buy clothing or anything else through the mails, why can he not pay a little more in line with the expense of soliciting that kind of business?

Fifty percent of this kind of mail is at the expense of the taxpayers. Therefore, I think the Senate made a mistake yesterday when it voted to strike this increase that would go into effect next year and the year after that.

Therefore, Mr. President, I move to reconsider the vote by which on yesterday the Senate struck from the bill a part of line 14, on page 18, starting with the word "Provided" down to the word "section" in line 18. Let me read the part to which I refer:

*Provided further,* That the minimum charge per piece of 1½ cents specified in the foregoing proviso shall be increased to 1½ cents 1 year after the effective date of the increases in rates made by this section:

Let us consider it for a moment. The Senate today voted to require anyone wanting to use a penny post card to pay 2 cents. Here we have a class of mail in connection with which people can solicit business and pay a mere one and a half cents. It is still going to cost the Government 2.8 cents. It seems to me the Government is subsidizing sufficiently that class of mail.

This is one time when I am very happy to be supporting the position of the committee.

Mr. JOHNSTON of South Carolina. Mr. President, on the class of business to which the Senator refers the revenue is approximately \$153,000,000 and the expenditures are \$289,000,000. In other words, there is a deficit of nearly \$136,000,000. Therefore the revenue being received at this time is more than half of the cost of this service. So let us keep the estimates somewhere near correct. The provision reported by the committee would add approximately \$17,937,000 more to the postal revenue.

Mr. LONG. Mr. President, the Senate on yesterday struck the second increase which would bring the third-class mail up to a rate of 1½ cents. The committee bill proposed that the rate be increased, first, to 1¼ cents, and in the subsequent year to 1½ cents. On yesterday the Senate agreed to strike the proposal which would bring the rate up to the second increase. In my opinion, that was a mistake. Therefore, I move that the Senate reconsider that vote.

Mr. CHAVEZ. Mr. President, I wonder if the Senator will yield to me.

Mr. LONG. I will yield the floor.

Mr. CHAVEZ. Then I shall take the floor on my own responsibility.

The provision which the Senator has been discussing is contained in section 3 of the bill, on page 17, relating to third-class mail. That is the poor man's mail. Third-class mail is the mail which goes to the poor people of the country. It is the mail that reaches the farmers, the ones who cannot afford either 6- or 8-



cent air mail. I want to prove it by the language of the bill itself.

I offered an amendment which was accepted by the chairman of the committee, the Senator from South Carolina [Mr. JOHNSTON]. I will take a stand along with the Senator from Louisiana [Mr. LONG] as being for the farmers of the United States who may want to ship little chicks to the Senator from Louisiana. I read from the bill:

SEC. 3. The rate of postage on third-class matter shall be 2 cents for the first 2 ounces or fraction thereof and 1 cent for each additional ounce or fraction thereof up to and including 8 ounces in weight, except that the rate of postage on books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants not exceeding 8 ounces in weight shall be 2 cents for the first 2 ounces or fraction thereof and 1½ cents for each additional 2 ounces or fraction thereof—

The point I am trying to make by reading that language is that the catalog stores do not of necessity send the plants or bulbs. They might be sent by a firm in Indiana or in Arkansas or in Missouri who is using this poor man's mail in order to get by.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CHAVEZ. In a moment.

This is not a catalog store bill. It is not made for Montgomery Ward necessarily. It is made for those who ship eggs or chicks from Missouri to New Mexico or to Louisiana, for instance. Let us keep the record straight as to what kind of a bill we are passing. The Senator from New Mexico will assume his own responsibility for understanding the language. I read further—

*Provided*, That upon payment of a fee of \$10 for each calendar year or portion thereof and under such regulations as the Postmaster General may establish for the collection of the lawful revenue and for facilitating the handling of such matter in the mails, it shall be lawful to accept for transmission in the mails, separately addressed identical pieces of third-class matter in quantities of not less than 20 pounds, or of not less than 200 pieces, subject to pound rates of postage applicable to the entire bulk mailed at one time: *Provided further*, That the rate of postage on third-class matter mailed in bulk under the foregoing provision shall be 14 cents for each pound or fraction thereof with a minimum charge per piece of 1¼ cents, except that in the case of books and catalogs—

And that is the only exception—

of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants the rate shall be 10 cents for each pound or fraction thereof with a minimum charge per piece of 1¼ cents.

Notice that figure. One and one-quarter cents is the minimum charge under the language of the bill. That is 25 percent more than the rate at the moment paid for the farmers' mail, for the rural-delivery mail, for the star mail routes mail. It is 25 percent additional on that particular item alone.

I ask the Senator from Louisiana, and let him answer this question, if that is not 25 percent beyond the increase of 17 percent that was given this particular mail in the Eightieth Congress, making it altogether 42 percent.

Mr. LONG. Mr. President, will the Senator yield for an answer to that question?

Mr. CHAVEZ. Yes.

Mr. LONG. Mr. President, I believe that if the Senator will look at the amendment he will see that it applies only to the piece mail, which is almost necessarily a solicitation mail. The Senator will notice that the rate will be 2 cents for the first 2 ounces or fraction thereof. A package of seeds will weigh more than that. Piece mail usually consists of letters soliciting business. The evidence given before the committee was that some persons are mailing letters to people to solicit business, and if they can succeed in receiving three orders per 1,000 letters sent out they are able to remain in business.

Mr. CHAVEZ. What would the Senator say with reference to the 24 little baby chicks that were shipped from Delaware?

Mr. LONG. They would have to be shipped through parcel post. They would not be at all affected by the particular section we are now discussing. Eight ounces is the limit in this section.

Mr. CHAVEZ. Very well; let us suppose that 8 ounces is the limit. What about the 17-percent increase which was made in the Eightieth Congress on this class of mail? Will that not bring the total up to 42 percent?

Mr. LONG. It would seem to the Senator from Louisiana that there is a 100-percent subsidy here as it is. Under the committee bill, we feel the rate is going to be too low, but we ought to do what we can toward reducing the subsidy on this class of mail.

Mr. CHAVEZ. Very well. There will have been a 42 percent increase since the Eightieth Congress on this particular class of mail. That increase will be paid by those who use third-class mail. Of course the catalog people use this class of mail, but compared to those who actually receive benefits from the third-class mail the advantage to the catalog people is only incidental. The farmers throughout the country use the third-class mail. I know that the seed distributors use the third-class mail. That is not the viciousness, however, of the provision. What I am now asking, and what the Senate agreed to yesterday, is not detrimental to the bill. I was willing, and I told the chairman of the committee that so far as the increase of 25 percent was concerned I was willing to go along.

I will read the provision which was stricken out by my amendment. Remember the minimum charge per piece of 1¼ cents. I was willing to go along with that. But, by my amendment the following provision, was stricken out:

*Provided further*, That the minimum charge per piece of 1¼ cents specified in the foregoing proviso shall be increased to 1½ cents 1 year after the effective date of the increases in rates made by this section.

That was all my amendment did away with. In other words, if my amendment shall prevail there will be an increase of 25 percent on third class mail, plus the 17 percent increase made in 1948, making

a total of 42 percent, but we will wait for the completion of the investigation to be made by the committee which will be appointed under the provisions of the bill as to whether there shall be another 25 percent increase at the next session of Congress.

Mr. President, what right has the present Congress to commit the next Congress to an increase, when we have no information whatsoever on which to base an increase? The Senator from Kansas [Mr. CARLSON] submitted an amendment, which is now in the bill, under which a joint committee will investigate this provision as well as other provisions of the bill. The committee up to this moment does not have one iota of information or fact on which they can base a statement that there should be an increase of 25 percent or of 50 percent. So no loss of revenue will result from retaining my amendment, because the provision is not applicable until a year hence, that is, a year after the bill goes into effect.

In the second place, I think it is sound business to have the joint committee, provided for by the amendment of the Senator from Kansas, which will investigate the matter, have at least a year to do so, after which they can give us factual information on which to base an increase.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. MALONE. Earlier in the afternoon the debate showed clearly that there was no definite information upon which the committee could be guided in what the advance should be on postal cards and first-class mail. I should like to ask the distinguished Senator from New Mexico if he understands that in England 2 ounces of first-class mail can be sent for less than 3 cents, or less than we now charge in this country for 1 ounce; so that in England first-class mail can be sent at about one-half the rate for which such mail is sent in this country? My question relates to England, where our few billions of dollars—about \$17,000,000,000—have gone in the past few years to support the false-teeth program and the eyeglasses program and the low-cost mail rate.

Mr. CHAVEZ. I should hate to argue about what goes on in England. I have enough to do in trying to keep up to date on what is going on in the United States. But I feel that I know something about the poor man's mail in the United States, and I know that third-class mail goes to poor people of the United States.

Mr. MALONE. I, too, was very happy to confine my efforts to the United States until these countries got on our payroll. Now, since their board bill comes to us, it is becoming of great interest to the junior Senator from Nevada as to how much they pay their kings and queens and dictators, and how much they charge for their mail service.

Mr. CHAVEZ. I have my own opinions about those matters too, and sometimes I am rather vocal about them, but at the moment I want to keep to the pending question. It relates to third-



class mail. Mr. President, if as the result of adopting the motion of the Senator from Louisiana we could get one penny of revenue this year, I would be in favor of it. But we have agreed that we are going to give up a 25 percent increase in the cost of the poor man's mail. The provision stricken out by my amendment will only prevent the increase taking effect a year hence or until the committee that has jurisdiction of these matters can at least give us a little factual information on the question as to whether a 25-percent increase or a 50-percent increase or a 60-percent increase should be made. Up to the moment we do not know whether it should be 10 percent, 15 percent, or 25 percent. A 25-percent increase now is guesswork. The Post Office Department does not know anything more about what it costs to deliver third class mail than does the man in the moon, or a total stranger, or the man from England, as my friend from Nevada [Mr. MALONE] would have it. The Department does not know. I do not see anything unreasonable in accepting the committee amendment for a 25-percent increase for this particular year, and waiting 1 year until the joint committee reports, to determine whether we ought to make a further increase of 25 percent.

I am not a seed catalog propagandist. In the first place I do not like the type. In the second place, I think they are entitled to business. I believe in free enterprise, and cataloging is a normal American business. But third-class mail was not made especially for those engaged in that business. When the Congress of the United States organized and ordered third-class mail rates put into effect, it did not have in mind the catalog stores. It had in mind the men and women who went to Kansas or North Dakota to homestead. It had in mind men and women of the type described in *My Antonia*, by Willa Cather—pioneers who wound grasses together and wet them, and then let them dry to be used as fuel, in order to obtain heat. Those are the type of people Congress had in mind, rather than the seed people. Congress had in mind the pioneers of the United States.

We raised the cost of their mail 42 percent since the Eightieth Congress. In the Eightieth Congress we increased their rates 17 percent. We are increasing them by this bill 25 percent further, making a total increase of 42 percent.

If we reinsert in the bill the provision stricken out by my amendment, we shall have increased the rates 25 percent more. Add that to the 42 percent, and that will give the answer. I hope that the Senate, in its sound judgment, and in view of the lack of information, will wait upon the committee. It is a good committee. I have been chairman of that committee. The Senator from Tennessee [Mr. McKELLAR] has been the chairman of that committee. The Senator from North Dakota [Mr. LANGER] has been chairman of that committee. Why can we not wait until the committee obtains more factual information?

I hope the motion of the Senator from Louisiana will not prevail.

Mr. JOHNSTON of South Carolina. Mr. President, the pending motion would, of course, restore to the bill an increase of approximately \$17,000,000 for the second year. It would not affect the revenue the first year.

In 1949 we increased the third-class rates approximately 17 percent. Second-class rates and first-class rates were not increased at all.

The only reason I agreed to the proposal when it came to the floor was that I thought we were not going to have a great deal of talk about the bill, and that we could get through quickly and then pass the bill providing increased pay for postal employees. I sincerely hope that we shall remain here into the night, and be here tomorrow, if necessary, in order to pass the pay increase bill for the postal workers.

Yesterday I was trying to expedite matters. I did not believe at that time, nor do I believe at this time, that amendment of the Senator from New Mexico would hurt the revenue in the future. I believe that the Senate will vote to establish the joint committee proposed to be set up by the bill to make a study. If the joint committee should find that we should make an increase of not only 25 percent, but 50 percent more in third-class rates and in the rates for the other classes, I believe that the Senate would follow the joint committee.

We have heard a great deal said about the postal deficit. We are running a deficit, but a great many people fail to acknowledge the services which the Post Office Department is rendering to the people of America. Not a single rural route pays its way. Not a fourth-class post office pays its way, and very few third-class post offices pay their way.

There are many other drags on the revenue of the Post Office Department. There is the franking privilege and there is the penalty mail. When I was at home I learned that a great deal of mail was being sent out for the Department of Agriculture—150,000 letters went out in a single day, free of charge. The cost was charged against the Post Office Department. We should take into consideration how much we are doing for the other departments of the Government when we speak of the postal deficit. It would not really be a deficit if the other departments would shoulder their part of the expenditure.

In this particular field—third-class mail—so far as I am personally concerned, I felt in the committee that a 25-percent increase the first year was sufficient. However, I went along with the committee and we reported the bill providing for 25 percent the first year and 25 percent the second year. However, I agreed yesterday—and I shall continue so to vote—to let the provision remain as it is at the present time. Therefore, I shall vote against the motion of the Senator from Louisiana.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Louisiana [Mr. LONG].

Mr. HUNT. Mr. President, I wish to associate myself with the Senator from Louisiana. I am glad that he called for a reconsideration of the action of the

Senate on yesterday, which was taken, as is so often the case, when there were only a few Senators present in the Chamber, and when it was a little difficult to decide which side carried the vote.

I am prompted to associate myself with the Senator from Louisiana because only this morning I received in my mail a conglomeration of third-class "junk" which was sent to me by one of my constituents. He asked the question, "Why is it necessary that we clean out our mail boxes every morning of this type of advertising material?"

I contend that the farmer and the poor man, to whom the Senator from New Mexico [Mr. CHAVEZ] referred, would be better off if he never received any of this type of mail. This is the "gyp" mail, the come-on mail, the cheap advertising mail.

The motion of the Senator from Louisiana to reconsider is a good one. I think we should then go along with the committee. If I had any criticism of the committee's bill at all, it would be that it did not make a sufficiently large increase in respect to this particular type of junk, which we all throw into the wastebasket as soon as we get it. It fills the wastebaskets in the country post offices before the people even get out of the post office.

Mr. CARLSON. Mr. President, will the Senator yield so that I may ask the junior Senator from Louisiana a question?

Mr. HUNT. Mr. President, I yield the floor.

The VICE PRESIDENT. The Senator from Kansas may have the floor in his own right, if the Senator from Wyoming has concluded.

Mr. HUNT. I yield the floor.

Mr. LONG obtained the floor.

Mr. LONG. Mr. President, I have sought recognition in order to provide the Senator from Kansas [Mr. CARLSON] with the opportunity to ask me a question. I am glad to yield to the Senator from Kansas.

Mr. CARLSON. If the motion of the Senator from Louisiana should prevail, is it the intention of the Senator from Louisiana to let the provision remain as originally reported by the committee, or does he intend to offer an amendment to increase the rate?

Mr. LONG. If my motion prevails, I shall be satisfied to leave the provision just as the committee reported it.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Louisiana [Mr. LONG] to reconsider the vote by which the Senate agreed yesterday to an amendment offered by the Senator from New Mexico [Mr. CHAVEZ] to strike out the language of the proviso on page 18, beginning in line 14 and extending to the middle of line 18.

Mr. LONG. Mr. President, I ask for a division.

The Senate proceeded to divide.

Mr. CHAVEZ. I suggest the absence of a quorum.

The VICE PRESIDENT. The Senate is in the midst of a division. The point of no quorum is not in order at this time.

The division was completed.



The VICE PRESIDENT. Does the Senator from New Mexico wish to press his point of no quorum?

Mr. CHAVEZ. No.

The VICE PRESIDENT. The motion of the Senator from Louisiana [Mr. LONG] is agreed to.

The question now is on the amendment of the Senator from New Mexico [Mr. CHAVEZ], which was adopted yesterday and the vote on which has been reconsidered.

The amendment to the committee amendment was rejected.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. LANGER. Mr. President, I wonder if I may propound a question to the majority leader. Could he give us any information as to when we shall take up Senate bill 355?

Mr. McFARLAND. That is the postal salary increase bill, is it not?

Mr. LANGER. Yes.

Mr. McFARLAND. As soon as we can find a day or two in which to take it up, and when we are not considering "must" legislation. As I stated before, I had hoped that we would be able to pass the pending bill and the postal salary bill today. I wish to say to my good friend, the Senator from North Dakota that I had previously told some Senators that we would not have a session tomorrow. Otherwise, we would take up the postal salary increase bill tomorrow. However, we must keep our word, because some Senators have counted on it. I hope we shall be able to take up the postal salary increase bill at an early date.

Mr. LANGER. Perhaps after the defense appropriation bill has been disposed of?

Mr. McFARLAND. If the tax bill is not ready at that time we may be able to do it. So far as I am concerned, it will be taken up as soon as possible.

The VICE PRESIDENT. The question is on agreeing to the committee amendment, in the nature of a substitute, as amended.

The amendment, as amended, was agreed to.

The VICE PRESIDENT. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The VICE PRESIDENT. The question is on the passage of the bill.

Mr. LANGER. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

The VICE PRESIDENT. The question is on the passage of the bill.

The bill (S. 1046) was passed.

#### MILITARY DEFENSE APPROPRIATIONS

Mr. McFARLAND. Mr. President, in order that Senators may be advised of what the unfinished business will be when the Senate reconvenes, I ask unanimous consent that on next Monday the unfinished business before the Senate be the bill (H. R. 5054) making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the Department of De-

fense for the fiscal year ending June 30, 1952, and for other purposes.

The VICE PRESIDENT. Without objection, it is so ordered.

#### CONFIRMATIONS OF NOMINATIONS ON THE EXECUTIVE CALENDAR

Mr. McFARLAND. Mr. President, I ask unanimous consent that the Senate, as in executive session, consider the nominations on the Executive Calendar.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the legislative clerk will state the nominations on the Executive Calendar.

#### TERRITORY OF HAWAII

The legislative clerk read the nomination of Frank G. Serrao, of Hawaii, to be Secretary of the Territory of Hawaii.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

#### BUREAU OF INTERNAL REVENUE

The legislative clerk read the nomination of Justin F. Winkle, of New York, to be Assistant Commissioner of Internal Revenue.

The VICE PRESIDENT. Without objection the nomination is confirmed.

Without objection, the President will be immediately notified of the nominations this day confirmed.

#### WORK OF THE COMMITTEE ON POST OFFICE AND CIVIL SERVICE—BILLS TO BE CONSIDERED

Mr. CARLSON. Mr. President, I wish to pay tribute to the distinguished chairman of the Committee on Post Office and Civil Service, the Senator from South Carolina [Mr. JOHNSTON], for the splendid way in which he conducted the hearings on the bill which the Senate has passed today and on the postal pay increase bill and other bills which the committee has brought to the floor of the Senate.

I believe it is to the credit of the chairman of the committee that he has brought in a bill which will raise \$400,000,000 of additional revenue. If we add to that the \$160,000,000 which is represented by subsidy, and penalty and frank mail, there will be a total additional revenue of \$560,000,000.

I sincerely hope that the Senate will be in a position to pass at the earliest date—and I had hoped by tomorrow—the postal pay increase bill. The committee and the Senate have acted very realistically, and the distinguished chairman is entitled to the thanks of the people of this Nation for approaching the problem on that basis, and in bringing to the Senate the bill which we now have passed.

Mr. JOHNSTON of South Carolina. I thank the Senator from Kansas for what he has had to say about me. However, I am not taking the credit. The credit belongs to the whole committee. The committee has worked diligently and faithfully on this bill and on the other postal bills. The members of the committee have worked long days and nights in conducting the hearings on the bills. I thank the members of the committee for having so faithfully worked on these bills. The Senator from North Dakota [Mr. LANGER], the ranking Re-

publican member, also has been faithful, and I want to call his name in particular.

Mr. LANGER. Mr. President, I want the RECORD to show that the senior Senator from North Dakota was the lone voice in voting against this bill, Senate bill 1046. It is a vote of which I am very proud, and I want the RECORD to show that I so voted. I thank the distinguished Senator from South Carolina for the kind words he has said about me.

Mr. JOHNSTON of South Carolina. If I may make another statement, I am very much disappointed that we did not finish consideration of the postal rate bill in time to take up the postal pay bill. Personally I should have liked to have had a session on Saturday, in order to pass the postal pay bill. However, our leader tells me that it would be impossible to meet tomorrow. I hope that we may be able to consider it at the very earliest possible opportunity, and I urge that he take steps to that end. I do not believe it will take long to dispose of the bill. Then there is another bill which should be taken up at the earliest possible time, and that is the classified employees pay increase bill. It is necessary to increase their pay to meet the increased cost of living.

Therefore I believe I speak the sentiments of the whole committee when I urge that these two bills be given the right-of-way in the near future.

Mr. McFARLAND. Mr. President, I want to state to my good friend from South Carolina that I regret that we were not able to finish consideration of both bills today. I had thought that there would be no question that we could finish them both. However, the debate was longer than we had anticipated. That is the reason for the delay. I know all Senators understand that it was our intention to have finished consideration of both bills. When I gave notice of a Saturday session it was with the expectation that the appropriation bill would be ready. It was not ready.

Mr. McKELLAR. It was reported today. I do not want any criticism of the Committee on Appropriations, even indirectly, for not having reported the bill earlier. The committee is well up on its work. I hope that we will be able to finish consideration of the appropriation bill on Monday.

Mr. McFARLAND. I meant no criticism of the Committee on Appropriations. I know the committee has worked hard. When we found that the appropriation bill would not be ready, I gave assurance to the acting minority leader the junior Senator from New Jersey [Mr. HENDRICKSON] that there would be no Saturday session. I must live up to that assurance.

Mr. HENDRICKSON. I thank the Senator from Arizona.

Mr. JOHNSTON of South Carolina. Would the majority leader agree to call up the postal pay increase bill immediately after the disposition of the defense appropriation bill?

Mr. McFARLAND. No; I cannot do that. I do not know what the situation will be. I do not want to make a commitment which I may not be able to live up to.



S. 1046

Ordered printed as passed by the Senate

# AN ACT

To readjust postal rates.

## TITLE I

FIRST-CLASS MAIL

SECTION 1. (a) Except as provided in subsections (b),  
(c), and (d), the rate of postage on all matter of the first  
class shall be 4 cents for the first ounce or fraction thereof and  
3 cents for each additional ounce or fraction thereof.

9 (b) The rate of postage on drop letters when mailed  
10 for local delivery at post offices where free delivery by carrier  
11 is not established and when they are not collected or de-

1   livered by rural or star-route carrier shall be 2 cents for each  
2   ounce or fraction thereof.

3       (c) Except as provided in subsection (d), the rate of  
4   postage on postal cards (including the cost of their manu-  
5   facture) and on private mailing or post cards conforming to  
6   the conditions prescribed by the Act entitled "An Act to  
7   amend the postal laws relating to the use of postal cards",  
8   approved May 19, 1898 (39 U. S. C. 281), shall be 2 cents  
9   each except that the rate on each portion of double postal  
10   cards issued and sold under the provisions of the Act of  
11   March 3, 1879 (39 U. S. C. 358), shall be 2 cents.

12       (d) The rate of postage on all domestic air mail as  
13   defined in the Act entitled "An Act to fix the rate of postage  
14   on domestic air mail, and for other purposes", approved  
15   August 14, 1946 (39 U. S. C. 462a), not exceeding 8  
16   ounces in weight, shall, except in the case of postal cards  
17   and private mailing or post cards, be 8 cents for the first  
18   ounce or fraction thereof and 6 cents for each additional  
19   ounce or fraction thereof. The rate on postal cards and  
20   private mailing or post cards (conforming to the condi-  
21   tions prescribed by the Act entitled "An Act to amend  
22   the postal laws relating to use of postal cards", approved  
23   May 19, 1898 (39 U. S. C. 281), when sent by air mail  
24   shall be 5 cents each.



## SECOND-CLASS MAIL

SEC. 2. (a) In the case of publications entered as second-class matter (including sample copies to the extent of 10 per centum of the weight of copies mailed to subscribers during the calendar year) when mailed by the publisher thereof from the post office of publication and entry or other post office where such entry is authorized, or when mailed by news agents (registered as such under regulations prescribed by the Postmaster General) to actual subscribers thereto or to other news agents for the purpose of sale, the total postage computed at the pound rates in effect under existing law and based on the bulk weight of each mailing shall be increased by 20 per centum, beginning on the first day of the second quarter beginning after the approval of this Act and by an increase of 20 per centum, based on the rates now in force, to take effect each year thereafter over a period of two years: *Provided*, That for newspapers qualified for second-class mailing privilege the rates herein provided shall be increased by 10 per centum, beginning on the first day of the second quarter beginning after the approval of this Act and by an increase of 10 per centum, based on the rates now in force, to take effect each year thereafter over a period of two years: *Provided*, That publications having over 75 per centum advertising in more than one-half of their issues

1 during any twelve months' period shall not be accepted for  
2 mailing as second-class matter and their entry shall be  
3 revoked, except that for the purpose of this proviso only,  
4 a charge made solely for the publication of transportation  
5 schedules, fares, and related information shall not be con-  
6 strued as constituting a charge for advertising: *Provided*  
7 *further*, That the rate of postage on newspapers or periodicals  
8 maintained by and in the interests of religious, educational,  
9 scientific, temperance, philanthropic, agricultural, labor, vet-  
10 erans' or fraternal organizations or associations, or service  
11 clubs, not organized for profit and none of the net income  
12 of which inures to the benefit of any private stockholder or  
13 individual, shall be  $1\frac{1}{2}$  cents per pound or fraction thereof,  
14 and the increases provided by this section shall not apply to  
15 such rate: *And provided further*, That existing rates shall  
16 continue in effect with respect to any religious, educational,  
17 temperance, or scientific publication designed specifically for  
18 use in school classrooms or in religious instruction classes.

19 (b) The free-in-county mailing privilege and the rates  
20 of postage on copies of publications of the second class when  
21 addressed for delivery within the county in which they are  
22 published and entered as such shall be the same as authorized  
23 by existing law: *Provided further*, That copies of a publica-  
24 tion mailed at a post office where it is entered, for delivery  
25 by letter carriers at a different post office within the delivery



1 limits of which the headquarters or general business office of  
2 the publisher is located, shall be chargeable with postage at  
3 the rate that would be applicable if the copies were mailed  
4 at the latter office, unless postage chargeable at the pound  
5 rates from the office of mailing is higher, in which case such  
6 higher rates shall apply.

7 (c) In no case, except where the free-in-county mailing  
8 privilege is applicable, shall the postage on each individually  
9 addressed copy be less than one-eighth of 1 cent.

10 (d) The rate of postage on copies of publications having  
11 second-class entry mailed by others than the publishers or  
12 authorized news agents, sample copies mailed by the pub-  
13 lishers in excess of the 10 per centum allowance entitled to  
14 be sent at the pound rates, and copies mailed by the pub-  
15 lishers to persons who may not be included in the required  
16 legitimate list of subscribers, shall be 2 cents for the first two  
17 ounces and 1 cent for each additional two ounces or fraction  
18 thereof, except when the postage at the rates prescribed for  
19 fourth-class matter is lower, in which case the latter rates  
20 shall apply, computed on each individually addressed copy  
21 or package of unaddressed copies, and not on the bulk weight  
22 of the copies and packages.

23 THIRD-CLASS MAIL

24 SEC. 3. The rate of postage on third-class matter shall be  
25 2 cents for the first two ounces or fraction thereof and 1 cent

1 for each additional ounce or fraction thereof up to and in-  
2 cluding eight ounces in weight, except that the rate of post-  
3 age on books and catalogs of twenty-four pages or more,  
4 seeds, cuttings, bulbs, roots, scions, and plants not exceeding  
5 eight ounces in weight shall be 2 cents for the first two ounces  
6 or fraction thereof and  $1\frac{1}{2}$  cents for each additional two  
7 ounces or fraction thereof: *Provided*, That upon payment  
8 of a fee of \$10 for each calendar year or portion thereof and  
9 under such regulations as the Postmaster General may estab-  
10 lish for the collection of the lawful revenue and for facilitat-  
11 ing the handling of such matter in the mails, it shall be law-  
12 ful to accept for transmission in the mails, separately ad-  
13 dressed identical pieces of third-class matter in quantities  
14 of not less than twenty pounds, or of not less than two hun-  
15 dred pieces, subject to pound rates of postage applicable to  
16 the entire bulk mailed at one time: *Provided further*, That  
17 the rate of postage on third-class matter mailed in bulk under  
18 the foregoing provision shall be 14 cents for each pound or  
19 fraction thereof with a minimum charge per piece of  $1\frac{1}{4}$  cents,  
20 except that in the case of books and catalogs of twenty-four  
21 pages or more, seeds, cuttings, bulbs, roots, scions, and  
22 plants the rate shall be 10 cents for each pound or fraction  
23 thereof with a minimum charge per piece of  $1\frac{1}{4}$  cents: *Pro-*  
24 *vided further*, That the minimum charge per piece of  $1\frac{1}{4}$   
25 cents specified in the foregoing proviso shall be increased to



1 1½ cents one year after the effective date of the increases in  
2 rates made by this section: *Provided further*, That pieces  
3 or packages of such size or form as to prevent ready facing  
4 and tying in bundles and requiring individual distributing  
5 throughout shall be subject to a minimum charge of 3 cents  
6 each: *And provided further*, That the rates prescribed by  
7 this section shall not apply with respect to matter mailed by  
8 religious, educational, scientific, temperance, philanthropic,  
9 agricultural, labor, veterans', or fraternal organizations or  
10 associations, or service clubs, not organized for profit and  
11 none of the net income of which inures to the benefit of any  
12 private stockholder or individual, and the existing rates shall  
13 continue to apply with respect to such matter.

14 FOURTH-CLASS MAIL

15 SEC. 4. (a) Sections 204 (b) and (c) of the Postal  
16 Rate Revision and Federal Employees Salary Act of 1948  
17 are amended to read as follows:

18 “(b) The rate of postage on matter of the fourth class  
19 shall be as follows:

20 “(1) On all matter mailed at the post office from  
21 which a rural route starts, for delivery on such route,  
22 or mailed at any point on such route for delivery at  
23 any other point thereon, or at the office from which the  
24 route starts, or on any rural route starting therefrom,  
25 and on all matter mailed at a city-carrier office, or at any

1 point within its delivery limits, for delivery by carriers  
2 from that office, or at any office for local delivery, the  
3 postage shall be 15 cents for the first pound or fraction  
4 thereof, 2 cents for the second pound or fraction thereof,  
5  $1\frac{1}{4}$  cents for each additional pound or fraction thereof up  
6 to and including ten pounds, and three-fourths cent for  
7 each pound or fraction thereof exceeding ten pounds.

8 “(2) For delivery within the first and second  
9 zones, except as provided for in paragraph (1), and  
10 except when the distance by the shortest regular mail  
11 route from the office of origin to the office of delivery  
12 is three hundred miles or more in which case the rates  
13 of postage shall be the same as for delivery within the  
14 third zone, 17 cents for the first pound or fraction  
15 thereof, 3 cents for each additional pound or fraction  
16 thereof up to and including ten pounds, and  $2\frac{1}{4}$  cents  
17 for each pound or fraction thereof exceeding ten pounds.

18 “(3) For delivery within the third zone, 17 cents  
19 for the first pound or fraction thereof, 4 cents for the  
20 second pound or fraction thereof,  $3\frac{1}{2}$  cents for each addi-  
21 tional pound or fraction thereof up to and including ten  
22 pounds, and  $2\frac{3}{4}$  cents for each pound or fraction thereof  
23 exceeding ten pounds.

24 “(4) For delivery within the fourth zone, 18 cents  
25 for the first pound or fraction thereof, 5 cents for the



second pound or fraction thereof,  $4\frac{1}{2}$  cents for each additional pound or fraction thereof up to and including ten pounds, and  $3\frac{1}{2}$  cents for each pound or fraction thereof exceeding ten pounds.

“(5) For delivery within the fifth zone, 19 cents for the first pound or fraction thereof, 7 cents for the second pound or fraction thereof, 6 cents for each additional pound or fraction thereof up to and including ten pounds, and  $5\frac{1}{2}$  cents for each pound or fraction thereof exceeding ten pounds.

“(6) For delivery within the sixth zone, 20 cents for the first pound or fraction thereof, 10 cents for the second pound or fraction thereof,  $7\frac{1}{2}$  cents for each additional pound or fraction thereof up to and including ten pounds, and  $7\frac{1}{4}$  cents for each pound or fraction thereof exceeding ten pounds.

“(7) For delivery within the seventh zone, 21 cents for the first pound or fraction thereof, 11 cents for the second pound or fraction thereof, 10 cents for each additional pound or fraction thereof up to and including ten pounds, and  $9\frac{1}{4}$  cents for each pound or fraction thereof exceeding ten pounds.

“(8) For delivery within the eighth zone, 22 cents for the first pound or fraction thereof, 12 cents for the

1 second pound or fraction thereof,  $11\frac{1}{2}$  cents for each ad-  
2 ditional pound or fraction thereof up to and including  
3 ten pounds, and  $10\frac{1}{4}$  cents for each pound or fraction  
4 thereof exceeding ten pounds.

5 “(9) On parcels measuring more than eighty-four  
6 inches but not more than one hundred inches in length  
7 and girth combined, the minimum postage charge shall  
8 be the zone charge applicable to a ten-pound parcel.

9 “(c) Catalogs and similar printed advertising matter in  
10 bound form weighing more than eight ounces but not exceed-  
11 ing ten pounds shall be subject to postage rates based on the  
12 eight parcel-post zones as follows:

13 “(1) When mailed at the post office from which a  
14 rural route starts, for delivery on such route, or mailed  
15 at any point on such route for delivery at the office from  
16 which the route starts, or on any rural route starting  
17 therefrom, and when mailed at a city-carrier office, or  
18 at any point within its delivery limits, for delivery by  
19 carriers from that office, or at any office for local delivery,  
20 the postage shall be 8 cents for the first pound or fraction  
21 thereof and 1 cent for each additional pound.

22 “(2) For delivery within the first and second zones,  
23 except as provided for in paragraph (1), and except  
24 when the distance by the shortest regular mail route  
25 from the office of origin to the office of delivery is three



hundred miles or more in which case the rates of postage shall be the same as for delivery within the third zone, 9 cents for the first pound or fraction thereof and  $1\frac{1}{2}$  cents for each additional pound or fraction thereof.

“(3) For delivery within the third zone, 10 cents for the first pound or fraction thereof and  $2\frac{1}{2}$  cents for each additional pound or fraction thereof.

“(4) For delivery within the fourth zone, 11 cents for the first pound or fraction thereof and 3 cents for each additional pound or fraction thereof.

“(5) For delivery within the fifth zone, 13 cents for the first pound or fraction thereof and 4 cents for each additional pound or fraction thereof.

“(6) For delivery within the sixth zone, 14 cents for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof.

“(7) For delivery within the seventh zone, 15 cents for the first pound or fraction thereof and 6 cents for each additional pound or fraction thereof.

“(8) For delivery within the eighth zone, 16 cents for the first pound or fraction thereof and 7 cents for each additional pound or fraction thereof.”

(b) Rates of postage prescribed by subsections (b) and (c) of section 204 of such Act, as amended by this Act and existing rates of postage prescribed by subsections (d)

1 to (f), inclusive, of such section shall remain in effect until  
2 otherwise provided by the Congress.

3 SPECIAL DELIVERY

4 SEC. 5. Mail of any class shall be given the most expe-  
5 ditious handling and transportation practicable and immedi-  
6 ate delivery at the office of address when, in addition to the  
7 regular postage, a special-delivery fee is prepaid thereon by  
8 means of special-delivery stamps or ordinary postage stamps,  
9 or in such other manner as the Postmaster General may pre-  
10 scribe, in accordance with the following schedule: Matter  
11 weighing not more than two pounds, if of the first class, 20  
12 cents; if of any other class, 35 cents. Matter weighing more  
13 than two but not more than ten pounds, if of the first class,  
14 35 cents; if of any other class, 45 cents. Matter weighing  
15 more than ten pounds, if of the first class, 50 cents; if of any  
16 other class, 60 cents.

17 REGISTERED MAIL

18 SEC. 6. (a) Mail matter shall be registered on the ap-  
19 plication of the party posting the same. The registry fees,  
20 which shall be in addition to the regular postage, and the  
21 limits of indemnity therefor within the maximum indemnity  
22 provided by this subsection, shall be as follows:

23 For articles having no intrinsic value and for which no  
24 indemnity is payable, 30 cents;

25 For registry indemnity not exceeding \$5, 40 cents;



1 For registry indemnity exceeding \$5 but not exceeding  
2 \$25, 55 cents;

3 For registry indemnity exceeding \$25 but not exceeding  
4 \$50, 65 cents;

5 For registry indemnity exceeding \$50 but not exceeding  
6 \$75, 75 cents:

7 For registry indemnity exceeding \$75 but not exceed-  
8 ing \$100, 85 cents;

9 For registry indemnity exceeding \$100 but not exceed-  
10 ing \$200, 95 cents;

11 For registry indemnity exceeding \$200 but not exceed-  
12 ing \$300, \$1.05;

13 For registry indemnity exceeding \$300 but not exceed-  
14 ing \$400, \$1.15;

15 For registry indemnity exceeding \$400 but not exceed-  
16 ing \$500, \$1.25;

17 For registry indemnity exceeding \$500 but not exceed-  
18 ing \$600, \$1.35;

19 For registry indemnity exceeding \$600 but not exceed-  
20 ing \$700, \$1.45;

21 For registry indemnity exceeding \$700 but not exceed-  
22 ing \$800, \$1.55;

23 For registry indemnity exceeding \$800 but not exceed-  
24 ing \$900, \$1.65;

25 For registry indemnity exceeding \$900 but not exceed-

1 ing \$1,000, \$1.75: *Provided*, That for registered mail hav-  
2 ing a declared value in excess of \$25 a registry fee of not  
3 less than 55 cents shall be paid.

4 (b) For registered mail or insured mail treated as reg-  
5 istered mail having a declared value in excess of the max-  
6 imum indemnity covered by the registry or insurance fee  
7 paid there shall be charged additional fees (known as “sur-  
8 charges”) as follows: When the declared value exceeds the  
9 maximum indemnity covered by the registry or insurance  
10 fee paid by not more than \$50, 2 cents; by more than \$50  
11 but not more than \$100, 3 cents; by more than \$100 but  
12 not more than \$200, 4 cents; by more than \$200 but not  
13 more than \$400, 6 cents; by more than \$400 but not more  
14 than \$600, 7 cents; by more than \$600 but not more than  
15 \$800, 8 cents; by more than \$800 but less than \$1,000,  
16 10 cents; and if the excess of the declared value over the  
17 maximum indemnity covered by the registry or insurance  
18 fee paid is \$1,000 or more, the additional fees for each  
19 \$1,000 or part of \$1,000 on articles destined to points within  
20 the several zones applicable to fourth-class matter shall be  
21 as follows:

22 For local delivery or for delivery within the first zone,  
23 12 cents;

24 For delivery within the second zone, 14 cents;



1 For delivery within the third zone, 16 cents;  
2 For delivery within the fourth zone, 17 cents;  
3 For delivery within the fifth or sixth zones, 18 cents;  
4 For delivery within the seventh or eighth zones, 19  
5 cents: *Provided*, That for registered mail or insured mail  
6 treated as registered mail of such kind or character that  
7 it may be carried at less than the maximum risk of loss in  
8 the mails, the Postmaster General may prescribe rules for  
9 determining upon what part of the declared value in excess  
10 of the maximum indemnity covered by the registry or insur-  
11 ance fee paid the additional fees shall be based.

12 RETURN RECEIPTS FOR REGISTERED MAIL

13 SEC. 7. Whenever the sender of any registered mail shall  
14 so request, and upon payment of a fee of 7 cents at the time  
15 of mailing or of 15 cents subsequent to the time of mailing,  
16 a receipt shall be obtained for such registered mail, showing  
17 to whom and when the same was delivered, which receipt  
18 shall be returned to the sender, and be received in the courts  
19 as prima facie evidence of such delivery: *Provided*, That  
20 upon payment of the additional sum of 24 cents at the time  
21 of mailing of any such registered mail, a receipt shall be  
22 obtained for such registered mail, showing to whom, when,  
23 and the address where the same was delivered, which receipt  
24 shall be returned to the sender, and be received in the courts

1 as prima facie evidence of such delivery: *Provided further,*  
2 That no refund shall be made of fees paid for return receipts  
3 for registered mail where the failure to furnish the sender  
4 a return receipt or the equivalent is not due to the fault of  
5 the postal service.

6 FEES FOR INSURED MAIL

7 SEC. 8. The fees for insurance, which shall be in addi-  
8 tion to the regular postage, and the limits of indemnity there-  
9 for within the maximum indemnity provided by this section,  
10 shall be as follows: 5 cents for indemnification not exceeding  
11 \$5; 10 cents for indemnification exceeding \$5 but not  
12 exceeding \$10; 15 cents for indemnification exceeding \$10  
13 but not exceeding \$25; 20 cents for indemnification exceed-  
14 ing \$25 but not exceeding \$50; 30 cents for indemnification  
15 exceeding \$50 but not exceeding \$100; 35 cents for indem-  
16 nification exceeding \$100 but not exceeding \$200.

17 RETURNED RECEIPTS FOR INSURED MAIL

18 SEC. 9. Whenever the sender of an insured article of  
19 mail on which other than the minimum fee was paid shall so  
20 request, and upon payment of a fee of 7 cents at the time of  
21 mailing or of 15 cents subsequent to the time of mailing, a  
22 receipt shall be obtained for such insured mail, showing to  
23 whom and when the same was delivered, which receipt shall  
24 be returned to the sender, and be received in the courts as



1    prima facie evidence of such delivery: *Provided*, That upon  
2    payment of the additional sum of 24 cents at the time of  
3    mailing of any insured article of mail on which other than the  
4    minimum fee was paid, a receipt shall be obtained for such  
5    insured mail, showing to whom, when, and the address where  
6    the same was delivered, which receipt shall be returned to  
7    the sender, and be received in the courts as prima facie evi-  
8    dence of such delivery: *Provided further*, That no refund  
9    shall be made of fees paid for return receipts for insured mail  
10    where the failure to furnish the sender a return receipt or the  
11    equivalent is not due to the fault of the postal service.

12                    FEES FOR COLLECT-ON-DELIVERY MAIL

13    .    SEC. 10. The fees for collect-on-delivery service for sealed  
14    domestic mail matter of any class bearing postage at the  
15    first-class rate and for domestic third- and fourth-class mail  
16    matter shall, in addition to the regular postage and any other  
17    required fees, be as follows: 30 cents for collections and  
18    indemnity not exceeding \$5; 40 cents for collections and  
19    indemnity exceeding \$5 but not exceeding \$10; 60 cents for  
20    collections and indemnity exceeding \$10 but not exceeding  
21    \$25; 70 cents for collections and indemnity exceeding \$25  
22    but not exceeding \$50; 80 cents for collections and indemnity  
23    exceeding \$50 but not exceeding \$100; 90 cents for collec-  
24    tions and indemnity exceeding \$100 but not exceeding \$150;

1 \$1 for collections and indemnity exceeding \$150 but not  
2 exceeding \$200.

3 REGISTERED COLLECT-ON-DELIVERY MAIL

4 SEC. 11. (a) The fee for collect-on-delivery service for  
5 registered sealed domestic mail of any class bearing postage  
6 at the first-class rate shall, in addition to the regular postage  
7 and any other required fees, be 80 cents for collections and  
8 indemnity not exceeding \$10; \$1.10 for collections and in-  
9 demnity exceeding \$10 but not exceeding \$50; \$1.20 for  
10 collections and indemnity exceeding \$50 but not exceeding  
11 \$100; \$1.40 for collections and indemnity exceeding \$100  
12 but not exceeding \$200. The maximum amount of charges  
13 collectible on any registered sealed domestic collect-on-  
14 delivery article shall be \$200.

15 (b) When indemnity in excess of \$200 is desired, the  
16 fee for such registered sealed domestic collect-on-delivery  
17 mail shall, in addition to the regular postage and any other  
18 required fees, be \$1.50 for indemnity exceeding \$200 but not  
19 exceeding \$300; \$1.60 for indemnity exceeding \$300 but  
20 not exceeding \$400; \$1.70 for indemnity exceeding \$400 but  
21 not exceeding \$500; \$1.80 for indemnity exceeding \$500 but  
22 not exceeding \$600; \$1.90 for indemnity exceeding \$600 but  
23 not exceeding \$700; \$2 for indemnity exceeding \$700 but  
24 not exceeding \$800; \$2.10 for indemnity exceeding \$800 but  
25 not exceeding \$1,000.



## JOINT COMMITTEE ON POSTAL SERVICE

SEC. 12. (a) (1) There is hereby established a Joint Committee on the Postal Service (hereinafter referred to as the "joint committee"), to be composed of three members of the Committee on Post Office and Civil Service of the Senate, to be appointed by the President of the Senate, and three members of the Committee on Post Office and Civil Service of the House of Representatives, to be appointed by the Speaker of the House of Representatives.

(2) The joint committee shall select a chairman and vice chairman from among its members. Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as the original selection. A majority of the members of the joint committee, or any subcommittee thereof, shall constitute a quorum for the transaction of business, except that a lesser number, to be fixed by the joint committee, shall constitute a quorum for the purpose of taking sworn testimony.

(b) The joint committee, acting as a whole or by subcommittee, shall conduct a thorough study and investigation in respect of the following matters:

(1) Methods and means whereby the postal system can be developed and improved, economically and efficiently, so

1 as to best promote social, commercial, and intellectual inter-  
2 course among the people in all parts of the United States at  
3 reasonable rates and charges.

4 (2) The extent, if any, to which Post Office Depart-  
5 ment expenditures, in excess of revenue, for its various serv-  
6 ices and for the handling of various classes of mail, are justi-  
7 fied as being in the public interest; taking into consideration  
8 that the United States postal system is a service of the  
9 National Government to all the people.

10 (3) The costs of handling, transporting, and distribut-  
11 ing the several classes of mail, and procedures whereby such  
12 costs can be reduced through improvements in methods and  
13 equipment.

14 (4) Postal rates and charges in relation to the reason-  
15 able cost of handling the several classes of mail matter and  
16 special services, with due allowances in each class for the  
17 care required, the degree of preferment, priority in handling,  
18 and economic value of the services rendered and the public  
19 interest served thereby.

20 (5) The extent to which expenditures now charged to  
21 the Post Office Department for the following items should be  
22 excluded in considering costs for the several classes of mail  
23 matter and special services:

24 (A) expenditures for free postal services;



1 (B) expenditures, in excess of revenues, for inter-  
2 national postal services;

3 (C) expenditures for subsidies for postal services  
4 pursuant to law or legislative policy of Congress;

5 (D) expenditures in excess of revenues, pursuant  
6 to the Act of June 5, 1930 (39 U. S. C. 793), not  
7 enumerated in the preceding subparagraphs (1), (2),  
8 (3), or (4) ;

9 (E) expenditures for services of any character not  
10 otherwise enumerated herein which may be performed  
11 for other departments and agencies of the Government;  
12 and

13 (F) expenditures which may be justified only on a  
14 national welfare basis and not primarily as a business  
15 function.

16 (6) The allocation and apportionment of income and  
17 expense for the various classes of mail and special services  
18 in the cost ascertainment system now in use by the Post  
19 Office Department, and such changes as may be desirable  
20 to provide more useful information in the consideration of  
21 rates and charges for the various classes of mail and special  
22 services.

23 (7) A plan for continuous cost analysis which will  
24 enable the Congress to determine the reasonableness of such

1 costs as compared to standards of efficiency and economy  
2 prevailing in private business enterprise.

3 (8) Such other matters as may be deemed pertinent  
4 and relevant to accomplish the objects and purposes of this  
5 section.

6 (c) (1) The joint committee shall appoint an ad-  
7 visory council (hereinafter referred to as the "council")  
8 to be composed of not more than twenty members, including  
9 representatives of the general public, representative users of  
10 the mails, members of accounting and management engineer-  
11 ing firms, postal experts, representatives of postal employee  
12 organizations, and, with special reference to rate-making in  
13 their fields, representatives of public transportation and dis-  
14 tribution organizations. Officials of the Post Office Depart-  
15 ment shall be offered appointments as members of the council.  
16 The council shall select a chairman from the group represent-  
17 ing the general public.

18 (2) The function of the council shall be to assist the  
19 joint committee in the studies and investigations authorized  
20 by this section. The council shall meet at such times and  
21 places as may be authorized by the joint committee.

22 (3) Members of the council who may be in the execu-  
23 tive branch of the Government shall each receive the com-  
24 pensation which he would have received if he were not a  
25 member of the council, plus such additional compensation, if



1 any (notwithstanding section 6 of the Act of May 10, 1916,  
2 as amended; 39 Stat. 582; 5 U. S. C. 58), as is necessary to  
3 make his aggregate salary \$12,500; and shall be reimbursed  
4 for travel, subsistence, and other necessary expenses incurred  
5 in the performance of the duties of the council. The mem-  
6 bers of the council from private life shall each receive \$50  
7 per diem when engaged in the performance of the duties of  
8 the council, plus reimbursement for travel, subsistence, and  
9 other necessary expenses incurred in the performance of such  
10 duties.

11 (d) (1) The joint committee, or any duly authorized  
12 subcommittee thereof, is authorized (A) to hold such  
13 hearings; (B) to sit and act at such places and times; (C)  
14 to require by subpoena or otherwise, the attendance of such  
15 witnesses and the production of such books, papers, and  
16 documents; (D) to administer such oaths; (E) to take such  
17 testimony; (F) to procure such printing and binding; and  
18 (G) to make such expenditures, as it deems advisable. The  
19 cost of stenographic services to report such hearings shall  
20 not exceed 25 cents per hundred words. The provisions of  
21 sections 102 to 104, inclusive, of the Revised Statutes shall  
22 apply in the case of any failure of any witness to comply  
23 with a subpoena or to testify when summoned under authority  
24 of this section.

25 (2) The joint committee is authorized to appoint and

1 fix the compensation of such personnel as it deems necessary  
2 to assist it in the performance of its functions. The joint  
3 committee may also contract for the services of accounting  
4 and management engineering firms to assist it in its functions,  
5 and employ part-time consultants, experts, and technicians  
6 at a per diem rate not in excess of \$50. Insofar as prac-  
7 ticable, the joint committee shall employ persons familiar with  
8 the operation of the postal service, accounting practices, or  
9 problems of public transportation and distribution with  
10 special reference to rate-making in those fields.

11 (3) The joint committee is authorized to secure directly  
12 from the Post Office Department, or from any postal field  
13 office, information, suggestions, estimates, and statistics, and  
14 the Post Office Department, or any field office, is authorized  
15 and directed to furnish such information, suggestions, esti-  
16 mates, and statistics directly to the joint committee upon  
17 request of the chairman or vice chairman.

18 (e) The joint committee shall report from time to time  
19 to the committees of the Senate and House of Representatives  
20 from which the membership of the joint committee was  
21 appointed, and shall submit its final report to the Senate and  
22 the House of Representatives not later than January 15,  
23 1953, the results of its study and investigation together with  
24 such recommendations as to necessary legislation as it may



1 deem advisable. Upon the submission of such final report  
2 the committee shall cease to exist.

3 (f) There are hereby authorized to be appropriated  
4 such sums as may be necessary to carry out the purposes  
5 of this section, to be disbursed by the Secretary of the Senate  
6 on vouchers signed by the chairman or vice chairman of the  
7 joint committee.

## 8 REPEAL OF EXISTING PROVISIONS

9 SEC. 13. All existing laws or portions thereof, incon-  
10 sistent or in conflict with this title, are hereby amended or  
11 repealed.

## 12 EFFECTIVE DATE

13 SEC. 14. This title shall take effect on the first day of  
14 the third calendar month following the calendar month in  
15 which it is enacted, except the rates herein provided for  
16 second-class mail shall take effect on the first day of the  
17 second quarter beginning after the approval of this Act.

## 18 TITLE II

19 SEC. 201. This title may be cited as the "Annual and  
20 Sick Leave Act of 1951".

## 21 COVERAGE AND EXEMPTIONS

22 SEC. 202. (a) Except as provided in subsection (b),  
23 this title shall apply to all civilian officers and employees of  
24 the United States and of the government of the District of

1 Columbia, including officers and employees of corporations  
2 wholly owned or controlled by the United States.

3 (b) (1) This title shall not apply to—

4 (A) teachers and librarians of the public schools of  
5 the District of Columbia;

6 (B) part-time officers and employees for whom  
7 there has not been established a regular tour of duty cover-  
8 ing at least five days in any administrative workweek;

9 (C) temporary employees engaged on construction  
10 work at hourly rates;

11 (D) employees of the Canal Zone Government and  
12 the Panama Canal Company when employed on the  
13 Isthmus of Panama;

14 (E) commissioned officers of the Public Health  
15 Service;

16 (F) commissioned officers of the Coast and Geodetic  
17 Survey;

18 (G) doctors, dentists, and nurses in the Department  
19 of Medicine and Surgery of the Veterans' Administra-  
20 tion; and

21 (H) officers and employees of the Senate and House  
22 of Representatives.

23 (2) This title, except section 203 (g), shall not apply to  
24 alien employees who occupy positions outside the several  
25 States and the District of Columbia.



1       (3) Section 204 of this title shall not apply to officers  
2 and members of Metropolitan Police and the Fire Department  
3 of the District of Columbia.

#### 4                               ANNUAL LEAVE

5       SEC. 203. (a) Officers and employees to whom this title  
6 applies shall be entitled to annual leave with pay which shall  
7 accrue at the rate of—

8               (1) one-half day for each full biweekly pay period  
9       in the case of officers and employees with less than two  
10       years of service,

11              (2) three-fourths day for each full biweekly pay  
12       period (except that the rate of accrual for the last full  
13       biweekly pay period in the calendar year shall be one  
14       and one-fourth days) in the case of officers and employees  
15       with two but less than fifteen years of service, and

16              (3) one day for each full biweekly pay period in  
17       the case of officers and employees with fifteen years or  
18       more of service.

19       In determining years of service for the purposes of this sub-  
20       section, there shall be included all service creditable under the  
21       provisions of section 5 of the Civil Service Retirement Act  
22       of May 29, 1930, as amended, for the purposes of an annuity  
23       under such Act and the determination of the period of service  
24       rendered may be made upon the basis of an affidavit of the  
25       employee. In the case of an officer or employee who is not

1 paid on the basis of biweekly pay periods, the leave provided  
2 by this title shall accrue at the same rate as it would accrue  
3 if such officer or employee were paid on the basis of biweekly  
4 pay periods.

5 (b) Any change in the rate of accrual of leave by an  
6 officer or employee under the provisions of this subsection  
7 shall take effect as of the beginning of the pay period follow-  
8 ing the pay period, or corresponding period in the case of an  
9 officer or employee who is not paid on the basis of biweekly  
10 pay periods, in which such officer or employee completes the  
11 prescribed period of service.

12 (c) The leave provided for in this section, which is not  
13 used by an officer or employee, shall accumulate for use in  
14 succeeding years until it totals not to exceed sixty days at the  
15 end of the last complete biweekly pay period occurring in  
16 any calendar year.

17 (d) Notwithstanding the provisions of subsection (c),  
18 a maximum accumulation not to exceed ninety days at the  
19 end of the last complete biweekly pay period in any calendar  
20 year is authorized to the following categories of employees  
21 of the Federal Government, other than officers and employees  
22 in the Foreign Service of the United States under the De-  
23 partment of State, stationed outside the several States and  
24 the District of Columbia:



1           (1) Persons directly recruited or transferred from  
2           the United States by the Federal Government.

3           (2) Persons employed locally but (A) who were  
4           originally recruited from the United States and have  
5           been in substantially continuous employment by other  
6           Federal agencies, United States firms, interests, or or-  
7           ganizations, international organizations in which the  
8           United States Government participates, or foreign gov-  
9           ernments, and whose conditions of employment provide  
10          for their return transportation to the United States, or  
11          (B) who were at the time of employment temporarily  
12          absent from the United States for purposes of travel or  
13          formal study and maintained residence in the United  
14          States during such temporary absence.

15          (3) Persons who are not normally residents of the  
16          area concerned and who are discharged from the military  
17          service of the United States to accept employment with  
18          an agency of the Federal Government.

19          (e) Where an officer or employee to whom the pro-  
20          visions of subsection (d) are applicable, or who is in the  
21          Foreign Service of the United States under the Department  
22          of State, and whose post of duty is outside the several States  
23          and the District of Columbia returns to any such State or the  
24          District of Columbia on leave, the leave granted pursuant to

1 this Act shall, under such rules and regulations as may be pre-  
2 scribed by the head of the department or agency, be ex-  
3 clusive of the time actually and necessarily occupied in going  
4 to and from his post of duty and such time as may be  
5 necessarily occupied in awaiting sailing or flight.

6 (f) Officers and employees in the Foreign Service of  
7 the United States under the Department of State may be  
8 granted leave of absence, without regard to any other leave  
9 provided by this title, for use in the United States, its Terri-  
10 tories or possessions, at a rate equivalent to one week for each  
11 four months of service outside the several States and the  
12 District of Columbia. Not more than one period of leave of  
13 absence under this subsection shall be authorized in any  
14 twenty-four-month period. Such leave may be accumulated  
15 for future use without regard to the limitation in subsection  
16 (c) but no such leave which is not used shall be made the  
17 basis for any terminal leave or lump-sum payment.

18 (g) Alien employees who occupy positions outside the  
19 several States and the District of Columbia may, in the  
20 discretion of the head of the department or agency concerned,  
21 be granted leave of absence with pay not in excess of the  
22 amount allowable under this title in the case of citizen  
23 employees.

24 (h) The leave provided for in this section, including  
25 such leave as will accrue to any officer or employee during



1 the calendar year, may be granted at any time during such  
2 calendar year as the heads of the various departments and  
3 independent establishments may prescribe.

4 (i) Notwithstanding the provisions of subsection (a), an  
5 officer or employee shall be entitled to annual leave under  
6 this title only after having been employed currently for a con-  
7 tinuous period of ninety days under one or more appoint-  
8 ments without break in service. In any case in which an  
9 officer or employee completes a period of continuous employ-  
10 ment of ninety days there shall be credited to him an amount  
11 of leave equal to the amount which, but for this subsection,  
12 would have accrued to him under subsection (a) during such  
13 period.

#### 14 SICK LEAVE

15 SEC. 204. (a) Officers and employees to whom this title  
16 applies shall be entitled to sick leave with pay, which shall  
17 accrue at the rate of one-half day for each full biweekly  
18 pay period.

19 (b) The leave provided for in this section, which is not  
20 used by an officer or employee during the year in which it  
21 accrues, shall accumulate and be available for use in suc-  
22 ceeding years.

23 (c) Not to exceed thirty days sick leave may be ad-  
24 vanced in cases of serious disability or ailments and when  
25 required by the exigencies of the situation.

## GENERAL PROVISIONS

2        SEC. 205. (a) The days of leave provided for in this title  
3 shall mean days upon which an employee would otherwise  
4 work and receive pay, and shall be exclusive of holidays, and  
5 all nonworkdays established by Federal statute or by Execu-  
6 tive or administrative order.

(b) An employee shall be considered for the purposes of this title to have been employed for a full biweekly pay period if he shall have been employed during the days within such period, exclusive of holidays and all nonworkdays established by Federal statute or by Executive or administrative order, which fall within his basic administrative workweek.

(c) Part time officers and employees, unless otherwise  
excepted, shall be entitled on a pro rata basis to the benefits  
provided by sections 203 and 204 of this title.

(d) The authorized absence of a rural carrier on Saturdays which occur within or at the beginning or end of a period of sick or annual leave of five or more days' duration (or four days' duration if a holiday falls within or at the beginning or end of the period of sick or annual leave) shall be without charge to such leave or loss of compensation. Saturdays occurring in a period of annual or sick leave taken in a smaller number of days may at the option of the carrier be charged to his accrued leave and when so charged he shall be paid for such absence.



## REGULATIONS

SEC. 206. The Civil Service Commission is authorized to prescribe such rules and regulations as may be necessary to provide for the administration of this title.

## REPEALS

SEC. 207. (a) The following Acts or parts of Acts are hereby repealed:

(1) The Act entitled "An Act to provide for vacations to Government employees, and for other purposes", approved March 14, 1936 (49 Stat. 1161).

(2) The Act entitled "An Act to standardize sick leave and extend it to all civilian employees", approved March 14, 1936 (49 Stat. 1162).

(3) Section 6 of the Act entitled "An Act to reclassify the salaries of postmasters, officers, and employees of the Postal Service; to establish uniform procedure for computing compensation; and for other purposes", approved July 6, 1945, as amended (59 Stat. 435).

(4) The paragraph under the heading "Public Printing and Binding" in the Act entitled "An Act making appropriations for sundry civil expenses of the government for the fiscal year ending June thirtieth, eighteen hundred and ninety-seven, and for other purposes", approved June 11, 1896 (44 U. S. C. 45), relating to leaves of absence of employees of the Government Printing Office.

1           (5) The third proviso in the Act of August 29, 1916  
2   (34 U. S. C. 513).

3           (6) Sections 931 and 932 of the Foreign Service Act  
4   of 1946.

(7) The fifth paragraph of section 3 (c) of the Act entitled "An Act to consolidate the Police Court of the District of Columbia and the Municipal Court of the District of Columbia, to be known as 'The Municipal Court for the District of Columbia', to create 'The Municipal Court of Appeals for the District of Columbia', and for other purposes", approved April 1, 1942 (56 Stat. 192).

(8) Section 601 of the Independent Offices Appropriation Act, 1952.

(b) Section 2 of the Act entitled “An Act to provide for the promotion of substitute employees in the postal service, and for other purposes”, approved April 15, 1947 (61 Stat. 40), is amended by striking out the words “and leave”.

## SAVING PROVISION

19 SEC. 208. (a) In any case in which—

(1) the amount of accumulated annual leave carried over into the calendar year 1952 by an officer or employee under provisions of law applicable to such officer or employee on December 31, 1951, is in excess of the amount allowable under the applicable provisions of section 203, or



(2) the amount of accumulated annual leave to the credit of an officer or employee who is subject to the provisions of section 203 (d) and who becomes subject to the provisions of section 203 (c) is in excess of the amount allowable under section 203 (c).

such excess shall remain to the credit of such officer or employee until used, but the use during any calendar year of an amount of leave in excess of the aggregate amount which shall have accrued during such calendar year shall automatically reduce the maximum allowable accumulation at the end of the last complete biweekly pay period in any calendar year until the accumulation of such officer or employee no longer exceeds the amount prescribed in the applicable provisions of section 203.

(b) An officer or employee heretofore subject to a system of leave administered on a calendar-day basis shall be deemed to have his credit on the effective date of this title five-sevenths day of leave chargeable as provided in section 205 (a) for each calendar day's leave to his credit on such date.

(c) No officer or employee shall be considered, by reason of the enactment of this title, to have been transferred to an agency under a different leave system within the meaning of the Act entitled "An Act to provide for the payment to certain Government employees for accumulated or accrued

1 annual leave upon their separation from Government serv-  
2 ice", approved December 21, 1944 (5 U. S. C. 61d).

3 (d) Any person who served during the period from  
4 December 1, 1950, to January 6, 1952, as an employee in  
5 the postal service, other than a substitute rural carrier, under  
6 a temporary or indefinite appointment for not less than  
7 ninety days and who shall not have been separated from the  
8 postal service prior to January 6, 1952, shall be deemed  
9 to have earned annual leave at the rate of fifteen days per  
10 year and sick leave at the rate of 10 days per year, and  
11 for such purposes shall receive credit for one-twelfth of a  
12 year for each whole calendar month he was carried on the  
13 roll as a temporary or indefinite employee during such  
14 period.

15

## EFFECTIVE DATE

16 SEC. 209. This title shall take effect on January 6,  
17 1952, except that paragraph (8) of section 207 (a) shall  
18 take effect as of the date of enactment of the Independent  
19 Offices Appropriation Act, 1952.

Passed the Senate September 7 (legislative day, Sep-  
tember 4), 1951.

Attest:

LESLIE L. BIFFLE,

*Secretary.*





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**AN ACT**

To readjust postal rates.

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 10 (legislative day, SEPTEMBER 4), 1951

Ordered printed as passed by the Senate











# Congressional Record

United States  
of America

PROCEEDINGS AND DEBATES OF THE 82<sup>d</sup> CONGRESS, FIRST SESSION

Vol. 97

WASHINGTON, WEDNESDAY, SEPTEMBER 19, 1951

No. 174

## House of Representatives

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty and eternal God, under the canopy of Thy grace and goodness we gather not only to remember with gratitude the historic past, which was laden with innumerable blessings, but we are also turning with faith toward that prophetic future which will be more glorious than our fondest hopes and dreams.

We beseech Thee to bestow upon us a clearer sense of Thy divine presence and power as we continue to pray and labor for the coming of that time, when men everywhere shall live and walk together as the sons of God in peace and good will.

Fill us with a courage that will make us equal to all the issues and problems and tasks which confront us and may we be inspired with a fidelity that will never be guilty of any surrender of principle or betrayal of devotion to that which is just and righteous.

In Christ's name we present our petition. Amen.

### THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Landers, its enrolling clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 3731. An act for the relief of Megumi Takagi.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1775. An act for the relief of Heinz Harald Patterson.

The message also announced that the Senate having proceeded to reconsider the bill (H. R. 3193) entitled "An act to establish a rate of pension for aid and attendance under part III of Veterans Regulation No. 1 (a), as amended"; returned by the President of the United States with his objections, to the House

of Representatives, in which it originated and passed by the House of Representatives on reconsideration of the same: It was

*Resolved*, That the said bill pass, two-thirds of the Senators present having voted in the affirmative.

### CENTENNIAL OF ENGINEERING

(Mr. CRUMPACKER asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. CRUMPACKER. Mr. Speaker, I have today introduced a bill authorizing the Postmaster General to issue a special postage stamp during 1952 commemorating the centennial of the American Society of Civil Engineers.

One hundred years ago, engineering in America was divided into only two branches—military and civil. Although we now have many specialized branches of engineering and many national societies of engineers, all are a part of the one-time civilian or civil engineering profession. As such, all have a real interest in celebrating the centennial of engineering in 1952.

During the past century, our country has developed to a position of world leadership very largely through the contributions of engineering and technology. The centennial celebration is viewed as an opportunity to commemorate the services of the engineering profession and to bring to the people of this country and of the world a more complete understanding of the reasons why the United States has become great, and of the contributions of engineering to its development.

All of us have enjoyed the benefits of the engineering and technological progress that has placed us in the forefront of the nations of the world. While the United States occupies only 6 percent of the land area of the world, and although we have less than 7 percent of the world's population, we possess 58 percent of the world's telephones, 76 percent of the world's automobiles, 31 percent of the world's radio and TV sets, 40 percent of the world's electrical production, and 27 percent of the world's newspapers.

Mr. Speaker, in fairness to the engineering profession and ourselves, I

think we should take this opportunity of recognizing the tremendous service to our national progress which it has helped to make possible. In our present critical times it is important for us to take this opportunity of reviewing our history so that everybody will understand and appreciate why our American system has made us the world's leading Nation.

### CALL OF THE HOUSE

Mr. PHILLIPS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

### [Roll No. 176]

Allen, Calif.	Doyle	Murphy
Allen, La.	Durham	Murray, Wis.
Anderson, Calif.	Gamble	Potter
Andresen,	Gordon	Powell
August H.	Granger	Preston
Bates, Ky.	Hagen	Rogers, Tex.
Bentsen	Hand	Sadlak
Blackney	Hébert	Scott, Hugh D., Jr.
Boggs, La.	Holifield	Simpson, Pa.
Boykin	Howell	Staggers
Breen	Irving	Talle
Bryson	Jackson, Calif.	Taylor
Busbey	Jonas	Thompson, Mich.
Celler	Kelley, Pa.	Vursell
Chatham	Kennedy	Walter
Clemente	Keough	Wilson, Ind.
Colmer	Kersten, Wis.	Wood, Ga.
Dawson	Lucas	
Denton	Miller, Calif.	
Dingell	Morrison	
Dolliver	Moulder	

The SPEAKER. On this roll call, 371 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

### READJUSTMENT OF POSTAL RATES

Mr. MURRAY of Tennessee. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 2982) to readjust postal rates.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House



on the State of the Union for the consideration of the bill H. R. 2982, with Mr. KILDAY in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the Clerk had read section 1 of the bill. The Clerk will now read the committee amendment.

Mr. REES of Kansas. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. REES of Kansas. Do I understand that the amendment to the bill before us, H. R. 2982, is to be read by the Clerk and that following that it will be open to amendment at any point; is that correct?

The CHAIRMAN. The gentleman is correct. The bill as reported by the committee contains one amendment, which strikes out all after the enacting clause and substitutes new language for the bill. The Clerk will read the committee amendment, which will then be open to amendment at any point.

Mr. REES of Kansas. I thank the Chairman.

The Clerk read as follows:

Committee amendment: Strike out after the enacting clause and insert:

#### "FIRST-CLASS MAIL

"SECTION 1. (a) The rate of postage on each single postal card issued and sold under the provisions of section 3916 of the Revised Statutes (U. S. C., title 39, sec. 356), and on each portion of double postal cards issued and sold under the provisions of the act of March 3, 1879 (U. S. C., title 39, sec. 358), shall be 2 cents: *Provided*, That on all single and double postal cards sold in quantities of 100 or more there shall be an additional charge of 10 percent. The rate of postage on each private mailing or post card conforming to the conditions prescribed by the act of May 19, 1898 (U. S. C., title 39, sec. 281), shall be 2 cents.

"(b) Except as provided in paragraph (a) of this section, the rate of postage on mail matter of the first class when mailed for local delivery at post offices where free delivery by carrier is not established and when the matter is not collected or delivered by rural or star route carriers, shall be 2 cents for each ounce or fraction thereof.

#### "SECOND-CLASS MAIL

"SEC. 2. (a) In the case of publications entered as second-class matter (including sample copies to the extent of 10 percent of the weight of copies mailed to subscribers during the calendar year) when mailed by the publisher thereof from the post office of publication and entry or other post office where such entry is authorized, or when mailed by news agents (registered as such under regulations prescribed by the Postmaster General) to actual subscribers thereto or to other news agents for the purpose of sale, the total postage computed at the pound rates in effect under existing law and based on the bulk weight of each mailing shall be increased by 20 percent, beginning on the first day of the second quarter beginning after the approval of this act and by an increase of 20 percent, based on the rates now in force, to take effect each year thereafter over a period of 2 years: *Provided*, That publications having over 75 percent advertising in more than one-half of their issues during any 12 months' period shall not be accepted for mailing as second-class matter and their entry shall be revoked: *Provided further*, That there shall be no change in the rate of postage on publications maintained by and in the interest of religious, educational, scientific, philanthropic, agri-

cultural, labor, veteran, or fraternal organizations or associations, not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual.

"(b) The free-in-county mailing privilege and the rates of postage on copies of publications of the second class when addressed for delivery within the county in which they are published and entered as such shall be the same as authorized by existing law: *Provided further*, That copies of a publication mailed at a post office where it is entered, for delivery by letter carriers at a different post office within the delivery limits of which the headquarters or general business office of the publisher is located, shall be chargeable with postage at the rate that would be applicable if the copies were mailed at the latter office, unless postage chargeable at the pound rates from the office of mailing is higher, in which case such higher rates shall apply.

"(c) In no case, except where the free-in-county mailing privilege is applicable, shall the postage on each individually addressed copy be less than one-eighth of 1 cent.

"(d) The rate of postage on copies of publications having second-class entry mailed by others than the publishers or authorized news agents, sample copies mailed by the publishers in excess of the 10-percent allowance entitled to be sent at the pound rates, and copies mailed by the publishers to persons who may not be included in the required legitimate list of subscribers shall be 2 cents for the first 2 ounces and 1 cent for each additional 2 ounces or fraction thereof, except when the postage at the rates prescribed for fourth-class matter is lower, in which case the latter rates shall apply, computed on each individually addressed copy or package of unaddressed copies, and not on the bulk weight of the copies and packages.

#### "THIRD-CLASS MAIL

"SEC. 3. The rate of postage on third-class matter shall be 2 cents for the first 2 ounces or fraction thereof, and 1 cent for each additional ounce or fraction thereof up to and including 8 ounces in weight, except that the rate of postage on books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants not exceeding 8 ounces in weight shall be 2 cents for the first 2 ounces or fraction thereof and 1½ cents for each additional 2 ounces or fraction thereof: *Provided*, That upon payment of a fee of \$10 for each calendar year or portion thereof and under such regulations as the Postmaster General may establish for the collection of the lawful revenue and for facilitating the handling of such matter in the mails, it shall be lawful to accept for transmission in the mails, separately addressed identical pieces of third-class matter in quantities of not less than 20 pounds, or of not less than 200 pieces, subject to pound rates of postage applicable to the entire bulk mailed at one time: *Provided further*, That the rate of postage on third-class matter mailed in bulk under the foregoing provision shall be 14 cents for each pound or fraction thereof with a minimum charge per piece of 1½ cents, except that in the case of books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants the rate shall be 10 cents for each pound or fraction thereof with a minimum charge per piece of 1½ cents: *And provided further*, That pieces or packages of such size or form as to prevent ready facing and tying in bundles and requiring individual distributing throughout shall be subject to a minimum charge of 5 cents each.

#### "BOOKS

"SEC. 4. The rates of postage prescribed by subsections (d) and (e) of section 204 of the Postal Rate Revision and Federal Employees Salary Act of 1948 shall remain in effect until otherwise provided by Congress.

#### "SPECIAL DELIVERY

"SEC. 5. Mail of any class shall be given the most expeditious handling and transportation practicable and immediate delivery at the office of address when, in addition to the regular postage, a special-delivery fee is prepaid thereon by means of special-delivery stamps or ordinary postage stamps, or in such other manner as the Postmaster General may prescribe, in accordance with the following schedule: Matter weighing not more than 2 pounds, if of the first class, 23 cents; if of any other class, 35 cents. Matter weighing more than 2 but not more than 10 pounds, if of the first class, 35 cents; if of any other class, 45 cents. Matter weighing more than 10 pounds, if of the first class, 50 cents; if of any other class, 60 cents.

#### "REGISTERED MAIL

"SEC. 6. (a) Mail matter shall be registered on the application of the party posting the same. The registry fees, which shall be in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by this subsection, shall be as follows:

"For articles having no intrinsic value and for which no indemnity is payable, 30 cents;

"For registry indemnity not exceeding \$5, 40 cents;

"For registry indemnity exceeding \$5 but not exceeding \$25, 55 cents;

"For registry indemnity exceeding \$25 but not exceeding \$50, 65 cents;

"For registry indemnity exceeding \$50 but not exceeding \$75, 75 cents;

"For registry indemnity exceeding \$75 but not exceeding \$100, 85 cents;

"For registry indemnity exceeding \$100 but not exceeding \$200, 95 cents;

"For registry indemnity exceeding \$200 but not exceeding \$300, \$1.05;

"For registry indemnity exceeding \$300 but not exceeding \$400, \$1.15;

"For registry indemnity exceeding \$400 but not exceeding \$500, \$1.25;

"For registry indemnity exceeding \$500 but not exceeding \$600, \$1.35;

"For registry indemnity exceeding \$600 but not exceeding \$700, \$1.45;

"For registry indemnity exceeding \$700 but not exceeding \$800, \$1.55;

"For registry indemnity exceeding \$800 but not exceeding \$900, \$1.65;

"For registry indemnity exceeding \$900 but not exceeding \$1,000, \$1.75: *Provided*, That for registered mail having a declared value in excess of \$25 a registry fee of not less than 55 cents shall be paid.

"(b) For registered mail or insured mail treated as registered mail having a declared value in excess of the maximum indemnity covered by the registry or insurance fee paid there shall be charged additional fees (known as 'surcharges') as follows: When the declared value exceeds the maximum indemnity covered by the registry or insurance fee paid by not more than \$50, 2 cents; by more than \$50 but not more than \$100, 3 cents; by more than \$100 but not more than \$200, 4 cents; by more than \$200 but not more than \$400, 6 cents; by more than \$400 but not more than \$600, 7 cents; by more than \$600 but not more than \$800, 8 cents; by more than \$800 but less than \$1,000, 10 cents; and if the excess of the declared value over the maximum indemnity covered by the registry or insurance fee paid is \$1,000 or more, the additional fees for each \$1,000 or part of \$1,000 on articles destined to points within the several zones applicable to fourth-class matter shall be as follows:

"For local delivery or for delivery within the first zone, 12 cents;

"For delivery within the second zone, 14 cents;

"For delivery within the third zone, 16 cents;

"For delivery within the fourth zone, 17 cents;



"For delivery within the fifth or sixth zones, 18 cents;

"For delivery within the seventh or eighth zones, 19 cents: *Provided*, That, for registered mail or insured mail treated as registered mail of such kind or character that it may be carried at less than the maximum risk of loss in the mails, the Postmaster General may prescribe rules for determining upon what part of the declared value in excess of the maximum indemnity covered by the registry or insurance fee paid the additional fees shall be based.

#### "RETURN RECEIPTS FOR REGISTERED MAIL

"SEC. 7. Whenever the sender of any registered mail shall so request, and upon payment of a fee of 7 cents at the time of mailing or of 15 cents subsequent to the time of mailing, a receipt shall be obtained for such registered mail, showing to whom and when the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided*, That, upon payment of the additional sum of 24 cents at the time of mailing of any such registered mail, a receipt shall be obtained for such registered mail, showing to whom, when, and the address where the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided further*, That no refund shall be made of fees paid for return receipts for registered mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the postal service.

#### "FEES FOR INSURED MAIL

"SEC. 8. The fees for insurance which shall be in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by this section, shall be as follows: 5 cents for indemnification not exceeding \$5; 10 cents for indemnification exceeding \$5 but not exceeding \$10; 15 cents for indemnification exceeding \$10 but not exceeding \$25; 20 cents for indemnification exceeding \$25 but not exceeding \$50; 30 cents for indemnification exceeding \$50 but not exceeding \$100; 35 cents for indemnification exceeding \$100 but not exceeding \$200.

#### "RETURN RECEIPTS FOR INSURED MAIL

"SEC. 9. Whenever the sender of an insured article of mail on which other than the minimum fee was paid shall so request, and upon payment of a fee of 7 cents at the time of mailing or of 15 cents subsequent to the time of mailing, a receipt shall be obtained for such insured mail, showing to whom and when the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided*, That, upon payment of the additional sum of 24 cents at the time of mailing of any insured article of mail on which other than the minimum fee was paid, a receipt shall be obtained for such insured mail, showing to whom, when, and the address where the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided further*, That no refund shall be made of fees paid for return receipts for insured mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the postal service.

#### "FEES FOR COLLECT-ON-DELIVERY MAIL

"SEC. 10. The fees for collect-on-delivery service for sealed domestic mail matter of any class bearing postage at the first-class rate and for domestic third- and fourth-class mail matter shall, in addition to the regular postage and any other required fees, be as follows: 30 cents for collections and indemnity not exceeding \$5; 40 cents for collections and indemnity exceeding \$5 but

not exceeding \$10; 60 cents for collections and indemnity exceeding \$10 but not exceeding \$25; 70 cents for collections and indemnity exceeding \$25 but not exceeding \$50; 80 cents for collections and indemnity exceeding \$50 but not exceeding \$100; 90 cents for collections and indemnity exceeding \$100 but not exceeding \$150; \$1 for collections and indemnity exceeding \$150 but not exceeding \$200.

#### "REGISTERED COLLECT-ON-DELIVERY MAIL

"SEC. 11. (a) The fee for collect-on-delivery service for registered sealed domestic mail of any class bearing postage at the first-class rate shall, in addition to the regular postage and any other required fees, be 80 cents for collections and indemnity not exceeding \$10; \$1.10 for collections and indemnity exceeding \$10 but not exceeding \$50; \$1.20 for collections and indemnity exceeding \$50 but not exceeding \$100; \$1.40 for collections and indemnity exceeding \$100 but not exceeding \$200. The maximum amount of charges collectible on any registered sealed domestic collect-on-delivery article shall be \$200.

"(b) When indemnity in excess of \$200 is desired, the fee for such registered sealed domestic collect-on-delivery mail shall, in addition to the regular postage and any other required fees, be \$1.50 for indemnity exceeding \$200 but not exceeding \$300; \$1.60 for indemnity exceeding \$300 but not exceeding \$400; \$1.70 for indemnity exceeding \$400 but not exceeding \$500; \$1.80 for indemnity exceeding \$500 but not exceeding \$600; \$1.90 for indemnity exceeding \$600 but not exceeding \$700; \$2 for indemnity exceeding \$700 but not exceeding \$800; \$2.10 for indemnity exceeding \$800 but not exceeding \$1,000.

"SEC. 12. (a) The Postmaster General is authorized to prescribe by regulation from time to time the fees which shall be charged by the postal service—

- "(1) for the registry of mail matter;
- "(2) for the insurance of mail matter, or other indemnification of senders thereof for articles damaged or lost;
- "(3) for securing a signed receipt upon the delivery of registered or insured mail matter and returning such receipt to sender;
- "(4) for collect-on-delivery service;
- "(5) for special-delivery service;
- "(6) for special-handling service;
- "(7) for the issuance of money orders;
- "(8) for notice to publishers of undeliverable second-class mail, for notice of change of address, and for notice to addressee or sender of undeliverable third- or fourth-class matter, or of undeliverable second-class matter mailed at the transient rate.

"(b) Regulations issued by the Postmaster General under subsection (a) shall, to the extent prescribed therein, supersede existing laws, regulations, and orders governing the fees for the services covered thereby.

"SEC. 13. All existing laws or portions thereof, inconsistent or in conflict with this act, are hereby amended or repealed.

"SEC. 14. This act shall take effect on the first day of the third calendar month following the calendar month in which it is enacted, except the rates herein provided for second-class mail shall take effect on the first day of the second quarter beginning after the approval of this act."

Mr. MURRAY of Tennessee. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MURRAY of Tennessee. Mr. Chairman, I wish to discuss further the provision in this bill with reference to the increase in postage on second-class mail. I want the Members to know that

this bill does no harm to any newspaper or magazine now enjoying second-class privileges. Further, this bill does not increase by one iota the amount of postage now being paid by publications which are delivered within the county of publication. Weekly and daily newspapers today enjoy this kind of rate within the county of publication, where the papers are delivered from a post office in the county of publication. Where there is no city delivery service these papers are carried absolutely free, and they will continue to be carried free under this bill.

In post offices in the county of publication where there is city delivery service, these papers are carried for 1 cent a pound with a minimum of one-eighth cent apiece; in other words, when they are carried from a post office with city delivery service, delivery costs them only one-eighth of a cent apiece. There will be no increase in the postage on such mail under this bill.

Let us see what the condition of the newspapers and magazines of this country is. I certainly want to encourage our newspapers and magazines. No one believes more strongly in freedom of the press than I do. I have no stock in any newspaper or magazine and am not a newspaper or magazine publisher. I want to lean over backward in being fair and liberal to our newspapers and magazines, and I say that our committee in this bill has leaned over backward in its treatment of newspapers and magazines.

What does the bill provide? That there shall be an increase of only 20 percent a year in the amount of the present postage for a period of 3 years.

In 1942 our newspapers and magazines were enjoying an advertising volume of \$580,000,000. How much is the advertising volume today as compared with that \$580,000,000 in 1942? Today it is \$2,059,000,000, an increase of over 400 percent.

The newspapers have increased their circulation since 1940 over 32 percent on the daily publications and over 51 percent on their Sunday issues. The percentage of increase in advertising on magazines since 1942 has been 411 percent.

I have here a full-page advertisement in a prominent New York City newspaper by a large magazine. What does it say about its advertising? In 1951 its magazine advertising revenue will be three times as much as in 1946. In 1952 the advertising will be more than \$20,000,000. In 1946 it was \$6,428,872.

Let us see what the weekly newspapers pay today. A survey was made for me by the Post Office Department in two States. In the State of Massachusetts, there were 97 weekly newspapers which were checked. The average postage per week is \$1.50. How much of an increase would this be on the basis of \$1.50? At the rate of 20 percent for the first year, it would be only 30 cents. In the State of Kansas, a check was made of 310 weekly newspapers. How much postage were those papers paying on an average? They were paying \$1.60 per week. Here is another newspaper with a cir-



ulation of 1,717 subscribers. Do you know what its postage bill is? That newspaper pays 68 cents per week. Another weekly newspaper pays \$1.66 a week. Another newspaper pays only 45 cents a week.

All the newspapers and magazines are not opposing this increase. I think the newspapers and magazines ought to be thankful that our committee was so lenient with them. The truth of the matter is that those newspapers and magazines should pay more of an increase than the increase which is provided in this bill.

Many prominent newspapers like the Washington Post, the Washington Star, the Chicago Tribune, and the Scripps-Howard newspapers, and many others, have endorsed this proposal of our committee. They say they should pay more postage, and they should not enjoy such a great subsidy. I wish to pay tribute to these splendid newspapers for their commendable position.

Let me read to you a statement from a little weekly newspaper, the Colfax Chronicle, of Colfax, La. Their statement is as follows:

**AIN'T AGONNA DO IT**

Newspapers all over the country are being organized to fight a proposed increase in second-class mailing rates, and we have the honor of being asked to add our still, small voice to the clamorous hue and cry: To publish an editorial on the subject, to write letters to our Representative and Senator, to do whatever else we can to fend off this terrible disaster.

Ain't agonna do it.

From the howl of our fellow publishers are fixing to send up, you will very likely think that the publishing business, and perhaps even the world, will come right to an end if the mail rate is raised. In fact, one of the things they are going to tell you is that any increases in the rate will mean the death of hundreds of dear little hometown newspapers, probably including your own.

We think you ought to have some idea of just how big a factor the mail rate is in the operation of the one newspaper we know the most about.

To send hundreds and hundreds of copies of the Chronicle all over Grant Parish, all over Louisiana, all over the United States, and to four or five foreign countries, every week, it costs us about \$1.50 a week.

The proposed increase would eventually amount to 100 percent. In other words, we would have to pay about \$3 a week.

If the proposed increase were several hundred percent, second-class mail would still be the biggest bargain we are getting, and one of the most insignificant of our expenses.

Do you know that the total postage paid by the weekly newspapers amounts to less than 2 percent of their entire operating expenses, and the postage paid by the large daily papers amounts to less than 5 percent of their entire operating expenses?

The editorial reads further:

Most newspapers complain a lot about the evil of Government subsidies, the dizzying height of taxes, and the need for businesslike methods of accounting in Government agencies.

We don't talk a lot about such matters. But we believe in them; and what's funnier still, we believe they apply to us.

We operate a profit-making business. We don't think the mailing of our newspaper

should be subsidized by the Federal Government to the point where our mail expenditure is ridiculously low.

We don't think everybody's tax money should be used to mail Grant Parish's newspaper.

We think that businesslike methods of cost accounting in the Post Office Department are a good thing. And we think that when such methods show (as they have shown) that second-class mail is not carrying anything like its share of post-office expenses the second-class rate ought to be raised.

Excuse us now, while we transmit these same thoughts to our Representative and Senator for the absurdly low cost of 3 cents each, first class.

I have an editorial from a paper in my home State of Tennessee, a Scripps-Howard newspaper, which endorses and approves the 20-20-20 increase in second-class rates.

Last week the other body for some reason agreed to raise newspapers 10, 10, and 10, and agreed to raise magazines 20, 20, and 20. Certainly newspapers and magazines should be on the same level and should pay the same postage. This editorial in the Memphis (Tenn.) Press-Scimitar refers to the fact that the Senate bill proposes to raise magazine mail rates 20 percent a year for three successive years, a total increase of 60 percent, but that the bill discriminates by raising newspaper mail rates only 10 percent a year, a total of 30 percent at the end of 3 years. This is wrong. Newspapers can and should pay their fair share as well as magazines.

These cheap second-class rates for years have been a subsidy to newspapers and magazines. The Press-Scimitar, for one, wants no part of such a subsidy. We have said so for years.

Even the full 60-percent raise on all second-class mail would not wipe out the deficit in this department.

So says the Memphis (Tenn.) Press-Scimitar.

In conclusion, remember that this raise would only bring in, over a period of 3 years, about \$23,000,000. The present deficit in second-class mail is about \$200,000,000.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I offer a preferential motion which I send to the desk.

The Clerk read as follows:

Mr. EDWIN ARTHUR HALL moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, there has been a great deal of discussion during this debate about service. Several fine speeches have been made by committee members upon the necessity of making the Post Office Department a service department rather than a business department, or at least emphasizing service as the keynote of the function of the Post Office Department. In so doing I think they have taken a proper position, because they have harked back to the Constitution of the United States which says that post offices and post roads shall be established to enable the people to communicate freely with one another. So

I submit here today that service is the keynote.

We are all familiar with the action which was taken in the Post Office Department about a year ago, curtailing the service seriously and drastically. I do not know what position others may take, but I cannot be reconciled that it is justifiable to come here and ask for a raise of postage rates when we have not even regained the status quo in the Post Office Department; when the service has been cut instead of kept at the former high level of efficiency.

You may say, "Well, the people have forgotten all about this. They have gotten used to the single deliveries. They have gotten used to the reduced service and all the other embellishments that were dropped at the time of the order on the part of the Postmaster General."

I do not agree with that. I feel that the people are still anxious to have the service of the Post Office Department returned to the former high level we enjoyed at the time there were two deliveries a day. I feel that even the Post Office personnel, the rank and file of the workers, the letter carriers, and all of the other clerks and employees of the Post Office Department, at least from conversations that I have had with literally scores upon scores of them in my district, would like to see the service restored to the rate of efficiency existing before the Postmaster General issued that irrevocable order.

In spite of petitions, in spite of the expressions of desire on the part of many Members of Congress that this order be rescinded and that they go back to the old two-a-day delivery system, they have been steadily and steadfastly ignored, and we are in the same position we have been for the past year.

Another thing I want to disclose to you is that I have been getting resolutions passed by the American War Dads in my district which tell of mothers, fathers, and relatives of young men in service in Korea receiving their letters not singly 10 days or 2 weeks from the time they have been written, but anywhere up to several months after they have been written, and in packets of anywhere from a dozen to 20. What a nice thing. For mothers and fathers of boys in service in Korea to receive packets of 20 letters several months after they have been written. I am not blaming the Post Office Department for that.

Mr. MURRAY of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I am not blaming the Post Office Department for that; I am simply pointing out that perhaps a little more cooperation on the part of the post office management and perhaps a little more working together such as characterized the service before the one-a-day delivery order would eliminate such things and they would not happen; at any rate I know that I speak the interest and the mind of the majority of the people when I say they would like to see two deliveries a day return. They certainly are not looking forward to an increase in postal rates unless they get a restoration to the status they have been accustomed to.



I would not take any position on this other than to say that the fundamental principle of the Department is service. Everybody knows the service we are getting today is not up to the old standards that obtained before the Post Office Department issued its restricted delivery order. I think we are putting the cart before the horse today when we come in and ask for an increase in postal rates before we require the Postmaster General to take some action rescinding the order he issued over a year ago.

I hope this motion will be adopted.

The CHAIRMAN. The question is on the motion offered by the gentleman from New York.

The motion was rejected.

Mr. REES of Kansas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REES of Kansas: Page 15, line 1, after the colon insert the following: "Provided, That for newspapers (publications issued weekly or more frequently and having the characteristics of publications commonly recognized and referred to as 'newspapers' and which are circulated in the main locally or within a county, State, or corresponding area, and the contents of which publications shall consist in the main of current news, editorials, articles and items of current interest to the general public and shall not be devoted to a particular trade, industry, occupation, or profession) qualified for second-class mailing privilege the rates herein provided shall be increased by 10 percent, beginning on the first day of the second quarter beginning after the approval of this act and by an increase of 10 percent, based on the rates now in force, to take effect each year thereafter over a period of 2 years."

Mr. REES of Kansas. Mr. Chairman, under the provisions of this bill approved by the committee rates on second-class mail, newspapers, and magazines, postal rates would be increased 20 percent a year over a period of 3 years. At the end of 3 years raise approximately \$24,000,000 of a deficit of \$200,000,000 in second-class mail that is paid out of the Federal Treasury.

The amendment I have submitted would reduce the rate on newspapers to 10 percent each year for 3 years. In other words, under my amendment newspapers would pay only 10 percent instead of 20 percent each year for 3 years. I offer this amendment for the reason there has been a considerable amount of feeling that newspapers, especially smaller ones, ought not to be required to pay even as much as 20 percent, as agreed to by the committee. Because of complaints I have received, and because of wrongful and unfounded charges that I may be one who would cast an unnecessary burden upon the newspapers, I offer this proposal. My amendment applies to newspapers only. My amendment leaves magazines as they are in the bill approved by the committee. Let me repeat, does not change—either increase or decrease—the rates on magazines as approved by the committee and contained in the committee bill before you. I repeat it for the reason someone is going to say my amendment is discriminatory, and so forth.

Certainly, if Members feel the magazines of this country should not assume

as much as 12 percent of a \$200,000,000 subsidy, then you should move to reduce moderate increases on magazines provided in the bill. If you think any increase is damaging as some Members have suggested, then you should vote against any and all rate increases, no matter how small, and let all of the deficit amounting to approximately \$200,000,000 be charged to the taxpayers. Incidentally, the cost for this service to all users of mail will be greater next year. This by reason of an additional cost of approximately \$250,000,000 and \$300,000,000 for increases in salaries and transportation that will be charged to the Post Office Department and paid from the Federal Treasury.

I think it should be explained to the House that the original bill, as proposed by the Post Office Department, would wipe out what is known as free-in-county rights of newspapers and would increase rates on second-class mail 50 percent the first year, and 25 percent for the next 2 years. So, the bill approved by the committee was a definite compromise. In fact, most of the Members felt that users of second-class mail would, in view of rising costs of Government, be willing to assume a part of the increased cost, rather than charge all of it to the Federal Treasury. In other words, those who use the mail for business and commercial purposes might be willing to take care of a small part of the subsidy. I would remind you again that under my amendment the newspapers would pay one-half of the amount proposed in the bill.

Mr. Chairman, an important element which has escaped the attention of many Members who wish to reduce the increased postal rate on magazines is the fact that most magazine publishers by virtue of reentry points confine their mailings within the third zone, which is 300 miles from the point of mailing. The rates on second-class mail to points and places within the third zone are less today than they were in 1879, when second-class mail rates were first established. One of the largest magazine publishers, for example, sends more than 80 percent of its publications to points within the third zone because they have 26 reentry points in the United States. This same publishing organization mails more than two-thirds of its volume within the first and second zones where the advertising rate is exactly the same as the rate on reading matter.

I am in favor of low postage rates on second-class mail because I believe that the Congress should adopt the policy of providing an incentive for the dissemination of information to the American public on a wide scale. However, I believe that when the Federal Government subsidizes the newspaper and magazine industry to the extent of almost \$200,000,000 and considers the increased cost of Government operation as well as the tremendous increased costs which have already been absorbed by the magazines and newspapers, that the amendment which I propose is not unreasonable. In addition, I do not believe it is unreasonable to provide moderate rate increases on second-class mail when at

the same time we are in the process of proposing increased income taxes on the individual taxpayers who are called upon to pay for this deficit.

The central research department of McCann-Erickson, Inc., conducted a survey of United States advertising and compared the years of 1949 and 1950. It is significant to note that total advertising increased during these years by about 9 percent. Advertising in magazines increased from \$492,500,000 in 1949 to \$517,000,000 in 1950. In addition, the cost to the public to purchase these magazines has increased rapidly during the last 10 years, and as a matter of fact, in some cases has been as high as 200 percent.

In the last analysis before we undertake to reduce the proposal of the committee to a greater extent than I have suggested in my amendment, it should be borne in mind that the postal rates on second-class mail in all zones are less than they were in 1933 and from 1920 to 1928.

While the net profits of magazines have increased over the past 10 years, let us examine the cost to the Government for handling these publications. According to figures of the Post Office Department, for every piece of second-class mail that was delivered in 1948 there was a deficit of 2.57 cents. In 1949 this per-piece deficit increased to 2.65 cents and in 1950 the deficit is 3.7 cents. Next year the per-piece deficit will be even larger. The proposal to increase rates on second-class matter will reduce this per-piece deficit by only 1 cent so that following the enactment of this bill the per-piece deficit will be 2.7 cents on all second-class mail.

I trust the Members will support my amendment, which I repeat would reduce by 50 percent the increases in the bill for newspapers. My amendment leaves the rates for magazines exactly as they are in the bill. My amendment does not raise or lower them.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from North Carolina.

Mr. COOLEY. I would like to ask the gentleman if the effect of his amendment would not be to provide a 10 percent increase for the large newspapers and a 20 percent increase for the farm magazines, which use the mail more largely and more consistently than the daily newspapers?

Mr. REES of Kansas. I think the answer largely is this, that the large daily newspapers do not use the mail very much.

Mr. COOLEY. Whether large or small, you make an easy rule for the newspapers, and yet your amendment would have the effect of imposing 20 percent each year for 3 years on all of the farm magazines, such as the Progressive Farmer, the Farm Journal, and hundreds of others that are bringing information to the farmers of the country.

Mr. REES of Kansas. The best answer I can give the gentleman is this, that the rates under this bill will be extremely low for any and all of them, but this does protect the small news-



papers who are the ones who complained largely.

Mr. COOLEY. It does not protect the small magazines which would have to take a 60 percent increase in the rate for 3 years.

Mr. REES of Kansas. Yes, but even then the rate is extremely low.

(Mr. BURNSIDE asked and was given permission to revise and extend his remarks.)

Mr. BURNSIDE. Mr. Chairman, I rise in opposition to the amendment.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. BURNSIDE. I yield to the gentleman from Tennessee.

Mr. SUTTON. I remember distinctly the talk the gentleman from West Virginia made yesterday. Did he not say that the biggest deficit in the Post Office Department was in the second-class mail?

Mr. BURNSIDE. That is correct.

Mr. SUTTON. Did he not also say that these magazines that the gentleman from Kansas was talking about can send one magazine throughout the United States for only 1 cent?

Mr. BURNSIDE. That is right.

Mr. SUTTON. And the 60-percent increase would not even make it 1 cent a magazine, would it?

Mr. BURNSIDE. Less than that. The question that we are arguing now seems rather preposterous when we have a deficit in second-class mail of around \$200,000,000. If you make the whole 60 percent increase that the committee has asked for it would not amount to but 1 percent of the advertising of last year. If you will turn to Printers Ink you will find that the advertising by the newspapers this last year amounted to \$2,000,000,000. The postage amounted to \$12,000,000 for the entire postal cost, which will only amount to six-tenths of 1 percent. That figure is rather startling, but that is what it would amount to. The amount they want to cut is \$1,000,000 a year, with this terrific indebtedness facing us. We only ask the preposterously small sum of \$2,000,000 increase on these newspapers, and yet you want to cut that \$1,000,000 in the face of this outrageous deficit. Now, should we, the Members of this House, let a small active lobby, the most active lobby that has ever approached this House, come down here and take that much money more from the taxpayers of the United States in the face of this terrific deficit? I think it is really preposterous. The other body did make that cut from 20 to 10. If the House committee version would stay at 20 percent, that would still be only 1 percent of its advertising income, when all other costs are going up and up and up.

For the information of those who may not have been here yesterday let me direct your attention to these four charts.

Chart No. 1 shows that newspapers and magazines can be sent through the mail cheaper today as far as the third zone—300 miles—than they could in 1879.

It further shows that it cost more to send newspapers and magazines in 1933

than it does today. In the 1933 rates it would have cost more to send newspapers and magazines through the mail than if the increases proposed in H. R. 2982, as recommended by the committee, are adopted.

Chart No. 2 illustrates the parcel-post zones, taking as a center point Huntington, W. Va.

As shown by the previous chart, postage rates were higher in 1879 than they are today as far as the third zone. You can see that the third zone covers all the circulation of most newspapers.

Chart No. 3 shows the increased deficit in second-class mail from 1930 to 1950.

It can be seen that there has been only a gradual rise in the revenues resulting from increased volume but the expenditures have risen sharply as a result of increased salaries and transportation costs.

Chart No. 4: This chart shows that in 1933 second-class mail rates for all zones except the eighth zone were more than express rates.

In 1950 in all zones the express rates were higher than second-class mail rates.

Since 1933 second-class rates have decreased while express rates, because of increased costs, have more than tripled.

In 1879 we did not have advertising in newspapers. Today we are paying 25 to 40 percent less than even at the bottom of the depression. Why did we pay such a figure as that? Because the most effective lobby in the United States has been working on the Members of Congress. I defy anyone to point out any other logical reason than that. It is 25 to 40 percent from the bottom of the depression.

Why should Uncle Sam absorb all these costs? I should like anyone to tell me why Uncle Sam should absorb all the costs for these newspapers when other costs have been going up. I am not opposed to newspapers. I read them. I take 25 to 30 of them in my office, so I am not opposed to them. I want to know what is going on. But it is not going to hurt them when their advertising has gone up in just a few years from \$500,000,000 to \$2,000,000,000, four to one, as the good chairman of our committee said a minute ago, four to one in advertising in just a few years.

See how it has been cut. Look at these figures. Over here is the act of 1879. I am talking about 1879, when you had no advertising. Then there is the act of 1932. This is the Postmaster General's Order 5506 of May 28, 1934. This is the present situation, this red here, and we are going into the red more and more and more. I appeal to you to please cast a conscientious vote to reduce this large deficit on second-class matter.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. BURNSIDE. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

Mr. BURDICK. I object, Mr. Chairman.

Mr. CORBETT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in opposition to this amendment. I believe definitely it

will be the amendment to which I am most opposed of all those that may be offered here this afternoon.

As the chairman of the committee said in his opening remarks, the magazines and newspapers should be treated equally. I know that we are going to have a discussion as to whether the figures over the years should be 30 percent or 60 percent, but regardless of which comes out, they ought to be as competing media treated equally, as they always have been treated. Therefore, I say this amendment should be voted down. I think your committee should work its will as to whether or not the increase for second class should be 30 percent or 60 percent. Unless this amendment is voted down, because of the parliamentary situation an amendment cannot be offered to this amendment to equalize the rates for magazines and newspapers.

It has been said here that these rates affect just a fraction of a penny, that they do not cause any severe loss, but let us get the totals. When you start adding up these fractions of a penny they become very considerable factors.

I want to quote for you the situation regarding a well-known magazine, the Atlantic Monthly. The Atlantic Monthly as of today is not quite breaking even. Its postage cost last year under second class was about \$24,000. With a 60-percent increase proposed by this amendment, and also the committee amendment, it would mean that the loss for the Atlantic Monthly would be better than \$30,000 a year, which might be sufficient to put them out of business. The gentleman from North Carolina mentioned the Progressive Farmer. Let us look into their postage rates for a minute and forget this business of fractions of a penny. Under the bill, and under the amendment, the present postage rate of the Progressive Farmer, is \$211,000 and it would be increased to \$232,000 the first year; \$253,000 the second year, and \$274,000 the third year. This increase over the present rate, according to the testimony of their representative before our committee, means that it would simply wipe out any profit that they presently have.

Other members can cite numerous other publications in their district. My point is this, that while these increases may seem very small as you talk about 3 for a penny and items of that kind, when they get into the aggregate they become matters of tremendous importance. Not to mention the name of a company, which has been mentioned here frequently today, the second-class postage bill of that company last year was \$550,000. Along with that this company paid out better than \$1,500,000 for first-class and third-class postage. So when you start talking about raising the rates 60 percent, let us not talk about 60 percent of a penny, but let us talk about 60 percent of \$550,000. That will give you altogether a different picture.

I submit to you that the members of the committee, as diligently as they have worked, simply cannot under the circumstances be familiar with the financial problems of the thousands of publications. Of course, we need to have



independent, careful studies of these situations. As we are floundering around here, trying to guess how many magazines will go broke at 20 percent, and how many will go broke at 10 percent, I think it becomes very evident that some time before we finish, we will have to create some kind of committee or some kind of board or investigating staff, which can let us know if we are damaging American business or whether we are not. But, I submit finally that I would like to see this amendment voted down so that we can have a fair test on whether or not the increase should be 30 or 60 percent.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield.

Mr. REES of Kansas. The gentleman suggested that magazines might be going broke. He does not know of any of the larger magazines that are going broke, does he?

Mr. CORBETT. I just quoted to the gentleman, the figures on the Atlantic Monthly.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. BURDICK. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I feel that it is more difficult to get a chance to speak here in the Congress than it is to speak after you get the chance.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield.

Mr. REES of Kansas. Mr. Chairman, I ask unanimous consent that the gentleman from North Dakota may proceed for five additional minutes.

Mr. BURDICK. No, Mr. Chairman, I object to that.

Mr. Chairman, I want to hear everyone express themselves when they want to be heard. But, as to some of these speeches that have been made this morning, I have heard three times and I have looked at the map three times. That ought to be enough.

In this case, I am discussing this matter with a clear conscience, because I have no interest in any newspaper, and very few of them have ever shown any interest in me. We have four daily papers in my State, and none of them ever supported me for Congress at any time. But, I am not legislating to get even with anybody. The fact is that their nonsupport has helped me more than it has injured me.

But, here is the situation. We hear that we are confronted with a deficiency of \$550,000,000 in the Post Office Department. I can tell you right now that is not true. To begin with, there is \$160,000,000 of that which the Postmaster General, himself, says is not chargeable to the Post Office Department—that is penalty mail, our mail, that is the franked mail, and subsidies.

Now, let us not talk about \$550,000,000. Take out \$160,000,000 and talk about the rest of it.

Second, it seems to me you are advancing this increase a little too fast. I know the gentleman from North Carolina [Mr. DOUGHTON], chairman of the

Ways and Means Committee, said in discussing the high tax: "You can shear a sheep every year, but you can skin him only once." I think you are going too strong at the 60-percent increase. I do not know who you are going to put out of business. I do not want to put anybody out of business at this particular period in our history, when we are demanding of the people the highest tax bill that was ever known. I certainly do not want to injure anyone.

A sop has been handed to these newspapers by saying, "free-in-county delivery." That does not mean anything in my section of the country, because we are so sparsely settled that we must have four or five counties to send the newspapers to. Usually those papers are very close to either one county or the other, and it does not mean much to them. When you pick out the "free-in-county" and show what they pay, I do not think it is a fair illustration.

You remember when the Post Office Department was set up in this country, it was set up for a service. No Congress in the United States Government has ever indicated how much of the deficit should be for public service, the same as service in the various departments of the Government. You do not think of making the Department of Agriculture pay its way. You do not think of the Department of Commerce paying its way. It was instituted as a great institution of learning to be disseminated among the people of this country.

I am one Congressman who can read. It is sometimes said that we cannot, but I learned to read from a little country newspaper. We did not have books in the early days of the West. The whole community where I was raised had one paper that came monthly. The name of that paper was Farm Home and Fireside. The whole community used it. From that little paper that cost 25 cents a year I learned to read. I can understand what I read, too, because it was hard to get what little training I had. When I grew up and wanted to go to a higher institution of learning, I tried to get into the North Dakota University, but they said I did not know enough. I was rejected by the University of North Dakota, and I went down to Minnesota. The first man I met was the football coach. He said, "Did you ever play football?" I said, "No, sir; I never saw one." He said, "Do you think you can play it?" I said, "I have been run over by a \$3 horse every year of my life, and I guess I can learn." I said, "But I am not registered." He took me over and weighed me and I weighed 220 pounds. He said, "Can you run?" I said, "That is my business. I ran a hundred yards in 10½ seconds." He hit me on the back and he said, "Young man, you know enough to get into this university."

Mr. Chairman, whether there is a deficit in the Post Office Department of the amount claimed of \$550,000,000, I do not know. It is claimed that second-class postage rates now existing produce a revenue \$180,000,000 less than the cost of handling second-class mail. I have also seen audit reports from certified

public accountants that there is no deficit on second-class mail, but in the last reported year there was a profit of \$41,000,000. As to which report contains the facts, I do not know.

The newspapers and magazines are going out to the people of this country daily, weekly, and monthly, all carrying information about education, science and inventions, improved methods of husbandry, and details of the Government, both as to what has been passed into law and pending legislation; our foreign policy and what progress we are making with foreign nations all over the globe. Is it not in the public interest to keep this information going? The main difference between a dictatorship and a democracy is free speech and a free press and elections. As long as we preserve free speech and free press and hold elections, I think it possible to preserve this Republic.

These publications fill a most-wanted need in our Government, and should not the taxpayers be willing to spend \$180,000,000 on this service annually?

Most of the publishers who came before our committee signified a willingness to have postal rates increased, but none of them for a minute thought this Congress would boost them 60 percent at one stroke. That action makes me think of Chief Gaul, the great Sioux warrior. After he left the warpath and started in the process to be a white man, he did not have to hunt and fight almost continually, as he had done. He settled down to peaceful ways and got fat. Someone told him there was a medicine that would reduce him 50 pounds in 50 days. One dose per day for 50 days. He tried it and at the end of 3 days he weighed himself and found he had lost 3 pounds. He then decided there was no use of waiting 47 days longer and that he could get the desired result from taking all the rest of the medicine at one dose. He tried it and thus closed the career of one of the greatest fighting Indians ever to inhabit the West.

We are trying to do that in this bill; we are giving the newspapers of this country and the magazines the whole dose at one shot. It is too much and many of the papers will go as Gaul did when he took too much medicine.

The newspapers as a whole do not want Congress to classify them by handing out any preferences. The small papers have so expressed themselves.

Now, it appears more reasonable to lessen the degree of this shock and I would suggest here as I did in committee a 30-percent raise distributed over a period of 3 years. The next Congress is not bound by this one, hence if the papers can pay more when the next Congress meets, or are paying too much, that matter can be adjusted.

The Government does not need to worry about some newspaper getting away with big profits, because if it has big profits it will be summarily taken away from them in taxes. If this 60-percent raise will put some papers out of business, and I am certain it will, there will be just one less tax customer. You cannot rob Peter to pay Paul.



There is just one other matter to which I am opposed in this bill and that is that there are a number of school publications and Sunday-school publications that are organized for profit that do a lot of good. While they are usually small organizations and the profits very limited, they nevertheless are not exempted in this legislation. In my judgment they should be.

For the two reasons, therefore—first, the raise in postage is too much, and, second, that these school and religious publications, for profit, should be exempted from an increased tax—I signed the minority report on the bill now before the committee.

One argument has been advanced in this debate that the postal rates should be raised, because an increase in pay to employees is shortly to come before this Congress. There is absolutely no relation between postal rates and pay for the employees who handle the mail. They are not working on a commission or on a contract to collect their wages from postage. These employees are working for the United States and at the present time the pay they receive does not permit them to raise their families under a decent American standard of living. Right at this moment there are thousands of postal workers working nights and during vacation to keep up with the cost of living. Postal workers' wives, in too many cases, are forced to go out and find work as the income to the worker will not provide a living for the family. Is that what the United States want? Do we want to advertise to the world that our postal workers and other classified workers in the United States do not receive wages enough to support their families. Should we not be as interested in our workers as we are in spending our money to keep up the economy of foreign nations?

If we are to have a mail service at all, we must expect to pay those who handle the business enough to live on, regardless of how we set up what is called a deficit. We do not seem to be alarmed over a deficit of \$30,000,000,000 which we have spent on Great Britain but if we find a deficit of one-half of one billion here in the cost of handling mail here, which includes one hundred and sixty million that should not be charged to the Post Office, we lose our good sense, if we ever had any, and demand that the users of second-class mail fork over 60 percent more than they are now paying, and add a burden to the publishing business at a time we are harnessing them with the highest taxes in the history of the country.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. SABATH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to congratulate my colleague from North Dakota [Mr. BURDICK], in whom I have the utmost confidence at all times, because he has the interest of the people at heart. I cannot, however, agree with him that the bill before us would in any way seriously

affect newspaper publishers, and especially magazines.

While the bill provided for a 20-percent increase each year for 3 years—or a total of 60 percent—on second-class mail covering newspapers and magazines, I feel these rates should be increased 30 percent the first year, 30 percent the second, and 40 percent the third year—or a total of 100 percent over present rates. I am not so concerned about the newspapers. I did not have much more schooling than my colleague from North Dakota, but I have been a newspaper reader. I do not agree with most of them, and of course many of them do not agree with me. Then, too, but a very small portion of their total circulation is served through the mails. However, the magazines are heavy users of the mails. A tremendous volume, by weight and by individual pieces, is carried through the mails daily. I understand the rate charged for this service today is lower than it was 50 or more years ago, notwithstanding the fact the cost of handling these multiple-page magazines has increased tremendously since that time. Then, too, there is the significant fact that the leading weekly and monthly magazines containing from 100 to 200 pages and more embody about 75 percent of advertising, for which they charge extremely high rates producing revenues which run as high as \$21,000,000 annually for the leader in the weekly field. There are scores of them that reap from \$1,000,000 to the millions I mentioned above from their advertisers. These ads do not come from the small-business man or the small manufacturer; they cannot afford to pay these exorbitant rates to bring their wares to the attention of the public. This space is monopolized almost exclusively by the big corporations. Why should not these publishers at least bear the actual cost of transporting their output through the mails?

I am amazed to hear the statement made that some of these big magazines do not earn a profit. From what I have seen and heard, they make tremendous profits. There may be a few who are not in the black at the end of the year, but perhaps they do not deserve to be there. Most of them are showing and will continue to show, huge profits. Why should we subsidize them? Their rates should be substantially increased to the point where the service rendered them by the Post Office Department is self-sustaining. I realize there are Members who might be timid about raising these rates because it may affect them. But we owe it to our Government and to our taxpayers to eliminate the postal deficit as much as possible, and this can only be done by raising those rates which now inadequately meet the actual cost of the service rendered.

Occasionally one of these magazines will print something that is of real value and factually reliable, such as the article appearing in the October issue of the magazine *Holiday*, a copy of which I hold in my hand. It contains about 35 pages of manuscript and pictures under the title "Chicago," with an "Introduction to Chicago" by the eminent writer,

Carl Sandburg, and other articles by Albert Halper, Mary Dougherty, and Gwendolyn Brooks.

I commend this article to each and every Member of the House as most interesting reading, and as a source of extremely valuable information on the greatness of Chicago, its many advantages to those interested in business opportunities and the development of additional manufacturing, industrial, and commercial activities, as well as to those interested in pleasure trips and vacationing.

The amazing growth of this great city in population, business, industry, and transportation, from a frontier hamlet to the second largest city in the Nation in the short period of little more than a century, is one of the truly remarkable chapters in the history of our great land. With an added million souls in its adjacent towns and cities, the metropolitan area of Chicago has become the economic hub of the Nation.

As I stated on this floor 2 years ago, notwithstanding the frequent unfair criticism due to the unfortunate conditions brought about by prohibition which brought a wave of crime not only to Chicago but to many other cities throughout our land, the fact is that today Chicago is the most progressive and the cleanest of all our large cities; its percentage of crime is more favorable than that prevailing in any other large city.

I have called attention on several occasions to the exhilarating climate of Chicago and its many advantages to summer visitors who came for leisurely sojourns in greater numbers this year and last year than ever before in its history. The cooling breezes of Lake Michigan are invitingly refreshing on the hottest of summer days. The vast expanse of lake shore inviting bathers and restful relaxation, its parks and parkways extending from the Indiana boundary on the south to the State line of Wisconsin on the north, second to none in the world, its outstanding museums and art galleries, its remarkable entertainment facilities including sports of all kinds, its wonderful merchandising institutions and its expansive hotel accommodations, make Chicago a "must" stop on the itinerary of every American seeking pleasure, contentment, and interesting sights while vacation-bound.

At the present time, under a Democratic administration, we are developing and constructing the largest medical center in the world, in my district. Our slum-clearance program is moving forward with leaps and bounds. The great engineering feat of reversing the flow of the Chicago River to connect the Great Lakes with the Mississippi River was one of the remarkable accomplishments in our history. Chicago is not only the railroad hub of the Nation—it is the transportation nerve center of rail, bus, water, and air service. Due to jealousies and envy engendered by those representing certain sections of our country, Congress has not been given the opportunity to act on the vital Great Lakes-St. Lawrence project which would provide a direct outlet to the Atlantic and



the world for all of the products of the farm, industry and manufacturing of this great central west region. In time this great project will be approved by the Congress, and when it does, Chicago and the great area it serves today will really come into its own. As I stated earlier in my remarks, progressive, forward-looking men of business and industry must not overlook the great potentialities of this thriving and ever-growing metropolis, Chicago is destined to become the world's largest and finest city, with its unlimited opportunities, and we welcome thoughtful planners for the future in all fields to join with us in sharing the possibilities in this fertile field for the development of their dreams and aspirations. Chicago, progress, and success are synonymous.

To illustrate the progressive spirit of Chicago and its business leaders, I introduced today House Joint Resolution 330 dealing with the duty-free importation of articles to be used for exhibition purposes at the second Chicago International Trade Fair to be held in my city March 22 to April 6, 1952. The first such international fair was held in Chicago during August 1950, and was a great success. It served to acquaint American importers and our people with many fine products of foreign manufacturers and industries, and it brought to Chicago many outstanding representatives of foreign business who profited greatly from viewing at first hand the output of our plants and industries. International relations are always strengthened by gatherings such as this; it brings our foreign friends closer to our people, to see for themselves the vastness of American enterprise, and to appreciate that we are one with them in the effort to bring to the people everywhere every modern improvement for better living, for progress, for development and expansion. I have also introduced a joint resolution authorizing the President to invite the States of the Union and foreign nations to participate in this International Fair.

Chicago, always in the lead in promoting friendly business relations, and in furthering the spirit of progress for which this great city is noted, takes pride in initiating this idea of an International Trade Fair, and its business leaders are determined to make the forthcoming fair a greater success than its initial effort in 1950.

(Mr. SABATH asked and was given permission to revise and extend his remarks.)

Mr. WITHROW. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Kansas which I think is a most vicious amendment. It is terribly discriminatory; it is a method of approach to the rate question that we have never adopted in the House. I would prefer that the rate be 10-10-10 for both magazines and newspapers. I think that would be fair.

There are a great many difficulties that will be encountered in administer-

ing the measure with the amendment offered by the gentleman from Kansas. I have before me a publication, *This Week*. What is it? Is it a magazine or is it a newspaper? It is enclosed within a newspaper and is treated and delivered as a newspaper is delivered now. You will have a great deal of difficulty in administering this particular phase of the amendment offered by the gentleman from Kansas.

Mr. Chairman, as a matter of fact some of the larger magazines are making money. But since when has it become a crime to make money in these United States? However, there are a great many other magazines that are not making money. Let me call the attention of the House to the testimony presented to our committee by the Emergency Committee on Small and Medium Size Magazine Publishers. This group secured the operating figures from over 200 magazines and this is what they found:

First, these are not fly-by-night publications. Their average age is 33 years.

Second, their average circulation was 24,000 and none exceeded 250,000 in circulation.

Third, 38 percent had a loss in 1950.

Fourth, 50 percent earned less than \$30,000 in 1950.

So I ask the members of this committee, why should we discriminate in this manner? Why should we make it exceedingly tough on the economy of these small magazines to exist and to do the good they are doing in this country at the present time?

Right in my own home State of Wisconsin we have a publishing company, the Kalmbach Publishing Co., of Milwaukee, Wis. It publishes three small magazines, namely, *Trains*, *Ships* and *Sailing*, and *Model Railroader*. The combined circulation of these three magazines is 175,000. They were started by one man and his wife in 1933. Today they employ and provide jobs for 85 people and their families. The total profit for these three fine little magazines in the past year was \$15,000.

The second-class postage for these magazines is almost exactly \$25,000 a year today. A 60-percent increase completely wipes out this profit. The jobs that have been created for these 85 people and the welfare of their families is at stake right now. Make no mistake about it, when you force upon any group an increase of 20 percent the first year, 20 percent the second year, and 20 percent the third year, you are making a drastic increase in the rates.

It has been stated repeatedly in the past 2 days that second-class-mail rates have not been raised appreciably since 1879. This is a complete misstatement. The correct facts and figures on rate changes over the years are printed in the CONGRESSIONAL RECORD for September 7, 1951, on page 11272. This table shows that there have been no less than six increases in second-class rates since 1885, and no statement to the contrary changes that record.

Starting in 1919 there were four annual increases in second-class rates.

The total increase during this period was 175 percent. In addition, second-class rates went up further in 1925. In the year 1928 this increase proved to be more than the traffic would bear and second-class rates in that year were reduced by one-third, because the volume went down. In 1932 Congress tried again to increase revenue from postage for second-class mail by again raising the rates, this time 37½ percent. In 1934, after 2 years, the second-class mail volume had declined so much under the higher rates that the Postmaster General reestablished the old rates in force before the 1932 increase. This is the record of six increases in second-class rates plus two decreases forced by reduced volume.

I believe, and I say this in all seriousness, that this is a vicious amendment; that it is put in merely to circumvent a bona fide amendment that I am sure will be proposed to the House later today. I believe that this House is entitled to vote on a 10, 10 and 10 percent increase with no discrimination.

Mr. Chairman, I sincerely hope that this amendment will be defeated.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, much was said here yesterday in general debate on this bill about the deficit in the Post Office Department and the necessity for enactment of this measure as a means of offsetting some of the deficit.

In the first place, and as other speakers have made plain, there are some of us on the Post Office and Civil Service Committee who have grave doubts as to the validity of the Department's cost-ascertainment and cost-allocation figures.

We feel that before voting drastic increases in any category of the postal service that there should be an impartial, unprejudiced investigation of the entire operation of the Department. That is the reason why it is most imperative for this House to approve the Carlson-Corbett proposals, providing a joint study of all the ramifications of this subject so that Members of Congress can operate in the light of day rather than in the darkness of ignorance of the real facts.

In the meantime, the House will do well to give consideration to a bill, H. R. 4741, which I introduced some time ago to provide a sweeping reorganization of the Post Office Department and convert it into an independent agency to be known as the United States Postal Service. Let us designate the handling of the mail and this system of communication for what it was intended—a service to the 152,000,000 inhabitants of this country.

The bill which I have introduced would go far toward wiping out political influence and substitute efficiency, economy, and morale in this huge Government operation which has been saturated with politics for many years and



still is. I am opposed to making the users of the mails, no matter who they may be, pay the costs of an operation that is ridden with politics.

Typical of hundreds of small and specialized publications which rely on our second-class-postage rates for their existence is the Soybean Digest, published at Hudson, Iowa—near Waterloo—my home.

Profits of this little magazine this past year were \$600.

It paid \$438.69 in second-class postage.

The 60-percent increase cuts this profit to \$195.

Who could blame the editors of this small publication if they decided to give up and call it quits.

This is one of the reasons why I am unequivocally opposed to the 60-percent increase in second-class rates as provided in this bill. Let us use reason and moderation by adopting an amendment providing for a 30-percent increase over the next 3 years.

Even with the 30-percent amendment and other increases provided in this measure, we will be putting the cart before the horse. Despite the increased income, the Postmaster General gives absolutely no assurance that mail service will be improved.

We desperately need to know the facts of life concerning the Post Office Department. We do not have them today, and I say to you that until we have the facts the simple expedient of increasing postal rates is not going to provide the people of this country with the service to which they are entitled.

Mr. JONES of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would oppose this amendment because I believe the postal rates should be increased even further than the increases that are provided in the committee amendment. The fact is, at the proper time I propose to offer an amendment which would increase those rates 25 percent a year for a period of 4 years, to bring about a 100-percent increase in second-class rates, which I feel a large number of the members on the committee feel is necessary.

I am interested in trying to wipe out this postal deficit. From the word that was brought to us from the chairman of the Committee on Rules this morning on the pay-increase bills that are going to come in here soon, it looks as if we are going to have a deficit in excess of three-fourths of a billion dollars.

As a newspaper publisher, having made my living in that way all of my life, I know most of the newspaper publishers in my district, especially the small-town publishers, are not opposed to an increase in second-class rates if you will increase other postage rates, and I am referring particularly to the third-class rates. If you will make those consistent so that they will bear the cost of the service the advertiser is receiving through the use of third-class mail, I do not think you will hear any squawk from the publishers of newspapers.

I do not think it is important as to whether the newspaper and magazine profession is making money. They should pay for the legitimate service

they are receiving. If they are not making money they should increase their rates, either their advertising rates or the cost of their subscriptions.

I feel that we should approach this thing in a businesslike way and not be motivated or influenced by any lobby that comes in here. I think every one of us wants to see low rates not only on postage but on everything; but I think we are inconsistent if we are not willing to provide by law the rates which will at least take up part of this deficit we have.

I know that the small newspaper publishers, of whom I am one, have no reason to complain about the postage rates that we have paid, and would not have cause for complaint even if those rates were doubled. Even then you are going to have a subsidy to the newspapers and the magazines.

Referring to the farm journals about which we were speaking a minute ago, many of those magazines do not charge anything for their subscriptions to start with. Most of the time such a magazine is about the same as a give-away sheet. They will send solicitors out through the country collecting 25 or 50 cents, and turn all of that into a commission. They make their money solely from their advertising. They are trying to build up a big circulation, and they want the Government to subsidize their business to that extent. I am opposed to subsidies, and I would like to see them all wiped out. But, I think particularly the advertiser who is looking for free postage either through reduced postal rates for newspapers, or through reduced rates for third-class matter, is not being consistent when he is all the time saying he is opposed to higher taxes and wants to see greater economy and greater efficiency in Government. We have an opportunity here today to go on record, and have each segment of industry and of our population even, that uses this service to pay at least a fair percentage of what it costs to render this service.

As I say, I am opposing this amendment, and at the proper time I intend to offer an amendment which will increase the rates 100 percent over a 3-year period on this item which we are now discussing. I will also support an amendment, and if one is not offered, I will offer it myself, to increase third-class postage rates in the same proportion.

Mr. STEFAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

WHEN IS A WAR NOT A WAR?

Mr. STEFAN. Mr. Chairman, upon my return from San Francisco, where I had acted as a congressional observer during the events before, during, and after the signing of the Japanese Peace Treaty, I was confronted by a startling news story in the Washington (D. C.) Star.

The Star of September 17, 1951, in an article by Elton C. Fay, Associated Press military affairs reporter, carried these

headlines: "Military cemetery headstones omit 'killed in Korea' markers."

The gist of Mr. Fay's article—like that of all good news stories—is carried in his lead paragraph. I quote:

Because Korea isn't an official war, the men who die there get no acknowledgment on their headstones in the Nation's cemeteries.

President Lincoln and the Congresses which served with him never acknowledged the Civil War by an official declaration. It was the stand of Lincoln that the South had never left the Union; that it was impossible to declare war against one's own people. Yet, that did not prevent the Union fighting men who died in that war from getting killed-in-the-Civil-War headstones.

Declared or undeclared, constitutional or unconstitutional, what has been going on in Korea for over a year is not a "conflict," not a "police action." It is w-a-r—war.

In my home town of Norfolk, Nebr., there are, according to the latest 1950 census figures, 11,335 people. Mr. Fay writes that up to the date of his September 17, 1951, article, 13,882 American boys had been killed in the Korean War.

Mr. Chairman, we are not truthful with ourselves when we call the Korean War by any other name.

Mr. Chairman, we can aspire to no honor ourselves when we neglect to do every honor for our beloved, our martyred dead.

Mr. Chairman, at some later time I intend to report to the House my observations as an official member of the American delegation to the Japanese Peace Treaty Conference, which was signed in San Francisco—a report which may be of some interest to the House of Representatives.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is difficult for me to understand how the gentleman from Kansas [Mr. REES] could possibly feel justified in offering this amendment. The amendment would provide only a 10 percent increase in the postage paid by newspapers and a 20 percent increase in the postage paid by magazines. I am not particularly interested in the postage paid by such magazines as Life and Fortune and the Saturday Evening Post and all of the other big magazines, but I am definitely interested in the welfare and continued publication of such magazines as the Progressive Farmer, the Capper's Farmer, the Prairie Farmer, the Dakota Farmer, the California Farmer, and dozens of other magazines and publications, most of whose subscribers are farmers and whose major editorial program is the dissemination of information and scientific research regarding the work and interest of the farmer and his family. I, therefore, oppose the pending amendment and hope it will be defeated. The publications I have just mentioned, and numerous similar publications, are vital to the farm people of this country. These magazines and publications are not sold on the newsstands but actually go through the mail as the publishers have no alternative but to pay the rates provided by law. The publishers of



these magazines and periodicals are perfectly willing to accept and to pay a reasonable increase in postage rates, but they cannot possibly pay the 20 percent increase per year for the next 3 years, as is provided in this bill. This increase would amount to a total of 60 percent. While an increase of 60 percent in the postage now being paid by many newspapers would be only negligible and could be easily absorbed, a 60 percent increase in the postage now being paid by the magazines to which I have referred would be devastating and could very easily force the publishers of such magazines into bankruptcy.

Why should the rate on magazines of the kind and character of those I have referred to be increased at the rate of 20 percent each year while the rate on the great metropolitan newspapers is to be increased only 10 percent each year? Under our present control laws it might be difficult for a legitimate business to increase its profits or earnings so as to absorb a 60 percent increase in the cost of distribution of the publications to which I have referred.

It seems to me that this Post Office Committee should go about this job in scientific fashion. The fixing of reasonable, just, and fair postal rates is a very difficult job. Frankly, I do not feel qualified to determine or to fix such rates, but rate experts must be available and a real study of the problems involved should be made by a committee of experts working under the supervision of our own legislative committee which has jurisdiction over this very important matter. If some newspapers are paying only negligible or nominal amounts, such as a dollar or two a week, that is, of course, nothing short of ridiculous. If that rate were increased 10 times it might not impair the financial stability of the publishers, but if a company is paying a very substantial amount and it is increased 20 percent, 40 percent, or 60 percent, it is easy to see that such rates might mean the difference between an actual profit on the one hand or an actual deficit on the other. If the present postal rates are not equitable between publishers, then we should not be considering across-the-board increases in rates but rather should try to adjust such rates in an equitable manner.

Neither this bill nor amendments which will be offered and adopted will have the effect of putting the Post Office Department on a profitable basis. The committee apparently is not even hoping to do away with the so-called deficit in the Post Office Department. I am not certain that any Member of the House would vote for postal rates sufficient in amount to put this great Department on a profit-making basis.

This amendment should be defeated. We shall not approve a lower rate for such papers as the New York Times and the great metropolitan dailies than is provided for farm magazines and periodicals which are rendering such great service to such a large segment of our people. When this amendment is voted down, our colleague from Texas [Mr. LYLE] will offer an amendment, the purpose of which it will be to produce the

figures provided in the bill from 20-20-20 percent increase over the next 3 years to 10-10-10 percent increase over the next 3 years. The amendment, if adopted, will make the House bill conform to the bill reported by the Senate committee. If the Lyle amendment is adopted, newspapers and magazines will be treated alike. If a difference is to be made, it certainly should be in favor of the farm publications to which I have referred and which are actually bearing a very heavy load and are actually using the mails.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. REES of Kansas. The gentleman has made an eloquent speech. It would seem to me in the light of what he has said that he would oppose any increase at all.

Mr. COOLEY. Oh, no. The gentleman was not listening to what I said.

Mr. REES of Kansas. The gentleman charges the committee with not having made a proper study. It is so easy to do that when you are not a member of the committee, but I think in view of the gentleman's statement he ought to be opposed to any increase at all. The 20 percent is the committee amendment. My amendment now cuts newspapers to 10 percent.

Mr. COOLEY. The gentleman did not understand what I said. I said that the publishers of these magazines have said openly, and they said before the gentleman's committee, that they are willing to have the rates increased to such extent as they might be able to absorb those rates and stay in business. But the record is full of information which indicates that those magazines will have to go into bankruptcy if you put this 20-20-20 increase on.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield at that point?

Mr. COOLEY. I yield.

Mr. REES of Kansas. There was no testimony that any of them ever went into bankruptcy on account of postage cost.

Mr. COOLEY. Certainly; the evidence indicates that the increase of 60 percent could easily force some of these publishers out of business and perhaps into bankruptcy.

Mr. REES of Kansas. Postage cost is only a small part of the entire cost. It is the other additional costs that really hurt.

Mr. COOLEY. If the gentleman would listen instead of talking so much he would learn what members of his own committee have just said.

Mr. REES of Kansas. I have heard them many times and I appreciate their views.

Mr. COOLEY. The gentleman was just given an illustration here, and this record before the gentleman's committee is full of information to the effect that this rate will be disastrous to these publications.

Mr. REES of Kansas. Then if it is true we ought to strike out all increases. If I could believe the present rates for magazines were that damaging I would strike out all increases on second-class mail.

Mr. COOLEY. The gentleman is on the committee; why did not the gentleman do his work in the committee room? Did the gentleman offer this amendment in the committee room?

Mr. REES of Kansas. It was offered in the committee.

Mr. COOLEY. What was the result? Was it voted down?

Mr. REES of Kansas. All these various rates were offered in committee, 15, 20, 50, 25 and 25.

Mr. COOLEY. On the basis of what the gentleman has said and on the weakness of his own argument, his amendment should be defeated.

Mr. GOLDEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to call attention to the great services that the newspapers and magazines of this Nation perform for our people. Yesterday we went at some length into the educational features and the great service that all publications render to keep our people informed.

Advertising has been mentioned here, and we may receive the impression that advertising is a bad thing, but that is not true at all. Through the magazines and newspapers of this Nation the business of America is brought to the attention of the consumers who live in America. If we were to do something that would seriously handicap the business progress of this Nation or do something that would seriously cut down the advertising medium of the newspapers and magazines by placing upon publishers too burdensome and too rapid an increase in their postage rates; it would have a very disastrous effect upon the economy of our people.

It has been said that reducing the postage rates as proposed by the committee bill from 20 percent to 10 would cause a loss to the taxpayers of something like a million dollars a year. If you crowd out a number of marginal newspapers and magazines and curtail not only the beneficial information that they disseminate to the American people, but if you also cut off the source of advertising whereby the business people of this country sell their wares, this country will lose many times more in income taxes by that curtailment of business and reduction of the national income than the small sum that you will save here by putting in a 20-percent raise instead of 10.

My district has about 29 small newspapers. We had evidence before this committee from the National Association of Small Newspapers last year that the average profit of the small newspapers of America was just a fraction over 6 percent. If we increase their postage rates too rapidly or too much there will be a number of those small papers that will not be able to continue in business. The wholesome effect that the American people and American business receive from those small-town papers will be lost and the over-all take of taxes in America will be reduced more than the small savings to the taxpayer by increasing the postage rate from 10 to 20 percent per year. I think that the magazines through advertising as well as through the editorial



pages contribute a great deal to the general welfare of America. I would be happy to put them on the same basis with newspapers. I think it is a good thing for people to make money in America and I hope the day will come when we can keep some of it. Instead of skinning the sheep, as our colleague from North Dakota said, let us let the wool grow a while. If the newspapers can make and keep some money, if the magazines can make and keep some money, and if our business people can make and keep some money, that will keep this great Nation of ours strong, and we have to have a strong Nation to meet the great crisis that the world now faces.

I would be happy to vote for this amendment because I think it does give us a half loaf, and I would rather have a half loaf than no loaf at all, and if some of our colleagues should introduce an amendment to reduce the postage rate on magazines I will be happy to vote for that amendment also.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. MURRAY of Tennessee. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 25 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. POULSON].

(Mr. POULSON asked and was given permission to revise and extend his remarks.)

Mr. POULSON. Mr. Chairman, the distinguished gentleman from Illinois stated that we will have to vote for this bill because a salary increase bill will come up here for consideration in the next few days. I shall vote for an increase for postal workers because I think they deserve such increase, but I do not intend to be scared into voting for any bill because of other legislation.

Mr. Chairman, I think we should consider this bill on its merits and decide it on its merits. The same argument would apply to a deficit. In my opinion, we are not approaching this matter of a deficit from the proper standpoint. We should determine what created the deficit. And since we have many postmasters from throughout the country in the galleries today, this might be a good time to let them know that they can do a great deal toward cutting down the expenses of the Post Office Department. Sometime last year the Post Office Department cut down the number of mail deliveries in the cities to one a day, yet we are still pouring money into Europe where they have from two to four deliveries a day. We do not read anything in the newspapers and you do not hear any suggestions made here about cutting down on the administrative expenses or reducing those in the higher levels. I think an effort might be made in that direction.

Let us meet the issue squarely, let us get a little more efficiency in the operation of the Post Office Department.

When the Lyle amendment is offered, I intend to vote for it because, in my opinion, there is one thing that we should guard carefully. We do not want to lose the opportunity of distributing news and information throughout the Nation. That is one thing we must closely guard if we intend to remain free. Let me quote as an example the Fallbrook case in southern California, where the Justice Department tried to go in and confiscate the water rights of some 14,000 people. This was not by condemnation proceedings and the purchase of those rights but by outright confiscation. They would have gotten away with it had it not been for the newspapers of southern California which exposed this attempted grab. Of course, when the information eventually reached us in Congress we started an investigation. For this reason, let us not cut off one of the avenues of information which will help us protect our freedom. Therefore, as I stated, I intend to vote for the Lyle amendment when it is offered.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. BURNSIDE].

Mr. BURNSIDE. Mr. Chairman, to correct a misapprehension which was created a few minutes ago, until 1879 the rate was 2 cents—and I am reading now from the Post Office Official Rate Chart. The rate today for nonadvertising newspapers and magazines is 1½ cents across the entire country, which is a 25-percent decrease. On advertising—and I am again reading to you from the chart—today in the first and second zones, which cover 300 miles, the rate is 25 percent lower than it was in 1879. Is there any objection to that statement at this time?

Mr. CORBETT. Mr. Chairman, will the gentleman yield?

Mr. BURNSIDE. I yield to the gentleman from Pennsylvania.

Mr. CORBETT. My colleague who made the statement is off the floor at the present time, but he challenged the gentleman's remark that there had been no change in second-class rates since 1879.

Mr. BURNSIDE. I cannot yield any further; but if you will have the RECORD read back, you will find, I think, that he challenged my statement in regard to the fact, and the fact is—and I want to make it clear now—that in the first and second zones it is today 1½ cents; in the third zone it is the same amount it was in 1879, and the newspapers at that time did not have advertising, or practically none, if you go back and look at them as I have.

One further thing I want to correct: In regard to the Scripps-Howard papers, some of the officials of that company told me they thought a 60-percent increase was fair and it ought to be passed. They have not come in and asked for a subsidy from the Government, and I think they ought to be complimented, and I want to correct the RECORD in that respect.

As to the small newspapers, the county newspapers, they are not involved, or largely not involved, because the county newspapers were established in county

seats, nearly all of them, and they are free in county.

Now, as to shearing sheep and about skinning sheep, the taxpayers are the ones that are being sheared in this case, and we have a duty to the taxpayers as well as to these other groups.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. ARMSTRONG].

Mr. ARMSTRONG. Mr. Chairman, I rise to oppose the amendment offered by the gentleman from Kansas. I do so, first of all, because I feel that that would be getting us into the field of discrimination as between magazines and newspapers.

In response to the gentleman from North Carolina [Mr. COOLEY] I can assure him that the gentleman from Kansas did not mean that this particular amendment had been considered by our committee. I am sure the minority leader will remember that it had not been brought before the committee. However, there had been various considerations of different rates. Am I correct in that?

Mr. REES of Kansas. Mr. Chairman, if the gentleman will yield, what I meant to say is that these same rates were considered, the whole gambit, all the way from 10 percent up to 50 percent, up and down the line, as applies to newspapers and as applies to magazines.

Mr. ARMSTRONG. That is right, as applies to all alike.

Mr. REES of Kansas. All the way up and down.

Mr. ARMSTRONG. That is right, but with no discrimination as between newspapers and magazines.

Furthermore, I agree heartily with the remarks of the gentleman from North Carolina, that have been expressed by other members of this committee, namely, that before we start penalizing any group of second-class publications we should make a study of this thing. The gentleman is absolutely right. I hope our committee will some day get to the point of making a scientific study of these rates. It seems to me, as a new Member, that this is long overdue. If we should take the whole amount of 60-percent increase on the second-class group, it would only be \$24,000,000. stack that up against the total deficit of \$550,000,000, and what do you have? Only a comparatively small fraction of that amount. In other words, by laying this added burden on our magazines and newspapers and, under this amendment, on our magazines alone, you could raise only about 5 percent of this deficit.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. ARMSTRONG. I yield to the gentleman from Pennsylvania.

Mr. FULTON. If there is an argument that a discrimination should be made, it could hardly be made in the name of the taxpayers. In guarding the taxpayers' interest, we do not need discrimination as between newspapers and magazines. Certainly there is an interest in seeing that the opinions and views of informed people who have studied, made research on subjects, and write for magazines and newspapers, get before the general public.



Mr. ARMSTRONG. I thank the gentleman. He is entirely correct. Let us look for just a moment at the figures we are voting for foreign aid. I cast a vote for it—with my fingers crossed on some items. If we will take a look at some of those items, we will find we are practically subsidizing large segments of the countries whose economies we are aiding.

Only yesterday afternoon the papers carried the story of the conference in Ottawa. The French delegates had come in and asked that some of the money already voted through this body and through this Congress for military aid be assigned directly to the peacetime economy of France.

A study of the breakdown of the figures of the money we have sent to England shows that we have actually been subsidizing the newsprint that goes into their magazines and newspapers. Is it fair, then, to add this extra burden upon our own home publications, that are doing the job of informing our people here at home?

I note that recently in Canada, our neighbor to the north, it was found necessary to raise postal rates. They raised the rates on newspapers a great deal more than they did on magazines. I do not advocate that. I simply mention it because the reason given was that newspapers require timely handling and priority of service, whereas magazines can have more delayed service.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. REED.]

Mr. REED of New York. Mr. Chairman, I have listened to this debate with a great deal of interest. What I shall say has come to my mind since I have heard these fine and sincere speeches here on this subject.

I believe the magazines of this country are a great source of wealth to this country. I believe they are creators of wealth very much the same as education is one of the greatest creators of national wealth.

I will tell you a little story as a part of my remarks. A very highly educated pastor in my home town had gone to speak in another town when one of our severe northern snowstorms came and he found himself on his return home marooned in the country. Seeing a farmhouse, he turned in to see if the farmer would take care of him during the night. The pastor's wife was with him, and it meant a great deal to them. He had never lived in the country, but this pastor came in contact with the farmer and his wife in the morning. The farmer and his wife, by the way, had built a fire the night before and had food served for the pastor and his wife. They had occasion to visit the next morning with the farmer and his wife for a couple of hours.

This pastor came to me later and said, "I never before realized the great fund of information possessed by these people who live on farms in the country. This farmer had every magazine of any consequence, particularly farm magazines."

I recently picked up some of the farm magazines and other magazines. There are articles in these publications, not by

scientists, but by practical farmers, who had written how other farmers could save here and save there, how a farmer could improve his crops, how he could take care of his poultry to better advantage to him and to the public. In that way, even though there is a slight loss to the Post Office Department, still you are creating a source of wealth in this country that will more than pay the taxes which might be lost as a result of not increasing the rates on magazines and newspapers. So I think perhaps we are penny-wise and pound-foolish if we cripple or penalize the magazines and the press of this country. They even have magazines dealing with mechanics and television, and all of these things that the boys and girls of the country read and study. Many of the finest inventions we have had, have been stimulated by what they have read in these magazines. I hope we will not make a mistake here, and show a lack of vision in dealing with this very important question.

Mr. REES of Kansas. Mr. Chairman, I take the floor again only to try to clear up some of the statements that have been made with respect to my amendment. Let me repeat my amendment reduces the rates for newspapers and does not change—raise or lower—the rates on magazines as provided in the bill. My amendment leaves the figure at 20 percent. Certainly I would be the last to penalize any magazine or newspaper. As I said it is just a question whether magazine and newspaper people who are willing to pay more for other services, and charge more for advertising and subscriptions are willing to pay 1 or 12 percent of the additional cost of handling their publications rather than charge all of the increase to the taxpayers of this country. Of course I would not penalize anyone. Not at all. If you feel the magazines should not share in paying the increased cost, then offer an amendment to that effect. The gentleman from Wisconsin says the amendment I offered to reduce by 50 percent the amount suggested in the bill for newspapers is vicious. Then he says magazines and newspapers are going broke on account of postal expenses. I think, in that event—if his statement is correct—he should offer an amendment to strike all increases on second class from the bill.

I believe the gentleman from Wisconsin [Mr. WITTHROW] who has hurled criticisms against this section of the bill, describing it as vicious, discriminatory, and so forth, might be willing to offer an amendment to strike this section from the bill. We will then have a chance to determine whether this committee wants to follow him in that respect. We will be interested.

Of course, magazines and newspapers render a splendid service. Nobody questions that, but they do not go broke because of the postage rates. That is only from 1 percent to 2 percent of the total cost of their operation. That figure applies to most of these newspapers and magazines. There may be a few where the postage bill amounts to 5 percent or 6 percent.

I say the thing to do, if you think this is discriminatory or you think 20 percent for the magazines, or any amount is injuring them, then let us strike the whole thing out. That is perfectly all right with me. We are placing this matter before you for your consideration. Do as you wish about it. It is your problem just as it is the problem of the members of our committee. If you feel it is better for the country and all persons affected by this proposed legislation that all increases be stricken out then you should do it but, I do not want to be charged here with discriminating against anybody. I have just as high a respect for the magazines and newspapers as anybody here. The Postmaster General thought we ought to increase the rates 100 percent—50 percent the first year and 25 percent for each of the next 2 years. Someone suggested 80 percent, and that 80 percent increase lacked one vote of passing in our committee. Some of the members here today talking about this legislation were not so much opposed to this proposal when it was considered by our committee. So I think those are things we ought to think about as we go along.

I want to call your attention to another thing before I conclude, and that is the matter of the net income of the total publishing industry of this country. The net income of all of the publishing industry in less than a year has increased by 7 percent. So let us not have it said that anybody is trying to cripple any industry or any newspaper or anything of that kind. I would be the last one to do that. I say, if you think it is going to hurt them, then vote the whole increase out of the bill. If you think it is that bad you ought in fairness offer such amendment and have a vote on it but do not say that this is against them and hurting them terribly to increase them 10 percent or 20 percent when that is not the case at all.

Mr. Chairman, I offered my amendment here in an effort to compromise the question because the big newspapers are getting along all right since they do not use the mail to amount to anything. That is the reason I offer this compromise amendment. I think the amendment ought to be adopted.

Mr. Chairman, before I close I want to observe there has been great concern about an amendment amounting to approximately \$12,000,000 to apply on a deficit of about \$200,000,000. There has been no discussion of an increase doubling cost of post cards and postal cards amounting to approximately \$90,000,000.

Mr. HERTER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HERTER. Mr. Chairman, in view of the fact that the parliamentary situation is such that an amendment has been offered to the committee amendment now pending, should the Rees amendment to the committee amendment be adopted, would that preclude the gentleman from Texas [Mr. LYLE] offering the amendment which he proposes to offer?



The CHAIRMAN. The Chair is not informed as to the contents of the amendment proposed to be offered by the gentleman from Texas [Mr. LYLE] but if it is not an amendment to the Rees amendment it may be in order. An amendment to an amendment already agreed to is not in order.

Mr. HERTER. I understand it is to the same section of the bill but it is more inclusive than the amendment that has been offered.

The CHAIRMAN. That may present a question of consistency, but that would be for the committee and not for the Chair to decide.

The Chair recognizes the gentleman from Tennessee [Mr. MURRAY] to close debate.

Mr. MURRAY of Tennessee. Mr. Chairman, I hope that this amendment by the gentleman from Kansas [Mr. REES] who is the ranking minority member of our committee will be voted down. I do think, that newspapers and magazines should receive the same rate, and that there should not be any reduction for newspapers in this bill. It is only fair that both magazines and newspapers pay the 20-20-20 percent increase for the next 2 years. For that reason I ask that the amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. REES].

The amendment was rejected.

Mr. LYLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LYLE: On page 14, line 22, strike out the figure "20" and insert in lieu thereof the figure "10"; and in line 24, strike out the figure "20" and insert in lieu thereof the figure "10."

[Mr. LYLE addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. LYLE asked and was given permission to revise and extend his remarks.)

Mr. SHORT. Mr. Chairman, I move to strike out the last word and rise in wholehearted support of the amendment offered by the distinguished and able gentleman from Texas [Mr. LYLE].

Realizing that no Congressman was ever defeated by the speech or statement he never made, I am reluctant to open my mouth on this controversial issue. Prudence perhaps would dictate that I remain quiet, but the issue is so fundamental and far-reaching that I am compelled to say in the words of the gentleman from North Dakota [Mr. BURDICK], who is always refreshing, so natural, so full of hard common sense—that we are jumping too far and too fast.

I know that a physician sometimes must cut in order to heal, but if you cut too deeply you may have a fatality on your hands. I know that Members here who often have read and always hear annually the Farewell Address of the Father of Our Country, George Washington, will appreciate these words:

Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge. In proportion as the structure of a government gives force to public opinion, it shall be enlightened.

Pray tell me what institution, what agency of Government or outside of Government does more to diffuse knowledge and give enlightenment to the American people than the American press and the magazines of our country?

Mr. Chairman, yesterday I listened with interest and pleasure, and I think profit, at least I hope profit, to the excellent presentation by the chairman of the Committee on Post Office and Civil Service, the gentleman from Tennessee [Mr. MURRAY] and the ranking minority member, the gentleman from Kansas [Mr. REES]. Usually I follow the reports of any committee of this House which has spent long and arduous study of the particular problem they have to present. It does seem to me, however, that in this measure, which we all will agree is not perfect and upon which some of us must yield in order to accomplish the common good, an increase of 60 percent on second-class mail, which affects directly newspapers and magazines, is exorbitant.

Let us take one step at a time. An increase of 30 percent, one-third over what they are now having to pay, is a pretty good increase. Unless we pass this amendment, in my judgment many of the small newspapers—and I would rather trust their judgment because they are so close to the people, these little weekly publications and the magazines that go into the homes of every family over this vast Nation of ours—will be forced out of business.

In 1939 the cost of second-class mail in this country was \$34,000,000. The income from handling that second-class mail was \$41,000,000, or \$7,000,000 more than it cost the Post Office Department and the American taxpayers to support.

If you believe in freedom of speech, in freedom of the press, in wide diffusion of knowledge, I think you will be compelled to vote for the amendment that has been offered by the gentleman from Texas [Mr. LYLE]. He is not here asking exemptions. In fact the sponsors of this measure, as was so eloquently stated yesterday by the gentleman from Kansas [Mr. REES], do not expect the Post Office Department to pay its way wholly. None of us expect that. But it is a bit ridiculous when for one penny you can send a post card anywhere in the United States. What will a penny buy today? What will a dollar buy? You know, what this country needs at this hour is a good 5-cent nickel. But when you can mail a post card from San Francisco to New York, from Seattle to Miami, from Portland, Maine, or Boston, Mass., to Houston, Tex., that is utterly ridiculous. All of us are for that increase. I think all Members want to increase the rates on certain classes of mail, but I do hope that this House in its sober judgment will support the reasonable increase that is contained in the amendment offered by the gentleman from Texas [Mr. LYLE].

Mr. CORBETT. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, I rise in support of this amendment for two reasons, first, because I believe it is reasonable, and, second, because I believe that by holding

the rates down to an increase of 10 percent a year it will permit a committee to make a study of the situation and the rates without having crippled the users of the mail in advance. I expect to propose here an amendment similar to the Carlson amendment which was adopted in the Senate to create a capable study committee. If this amendment is adopted by the House, or if the Carlson amendment is adopted by the conferees and becomes part of the law, we will not again be faced, either in committee or on the floor of the House, with a situation where some gentlemen sincerely present figures saying that this increase will not hurt, and other Members equally sincere, present figures showing that it will be disastrous to certain business.

We are here legislating in the dark, legislation that will very seriously affect the financial well-being of a large part of our economy. That is a dangerous way to legislate. It would be like passing a new tax measure without any good evidence as to how those taxes would affect production and employment and the over-all economic welfare.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield to the gentleman from Kansas.

Mr. REES of Kansas. Of course, the gentleman realizes that this committee may not be as efficient as some would like, but we have gone very thoroughly into this question.

Mr. CORBETT. I want to say in reply to the gentleman, and I will state his question again so that it can be heard. He pointed out that this committee has made a long study of this problem. That is true not only this year but all other years, and the committee attendance has been very excellent. However, most of our study has consisted of public hearings and hearing testimony as to why a rate increase would be detrimental. I submit that the cost-ascertainment program of the Post Office Department has been produced every year, but we are not at all satisfied that the accounting has been along the lines that it should have been. They dealt with classes of mail, but not with geographical sections and not with various post offices as regards first, second, third, and fourth class. Here we have a situation where second-class mail may be losing a lot of money in one area, and in another area it is being carried at a profit or no loss. We do not know about those things. We do not know, for example, whether it is the fourth-class offices, the rural routes, and the star routes, that we all want, that are to blame for what postal deficit exists. We do not know how much profit the first-class offices make as compared with the second and we do not know, above all else, just exactly what the effect of this increased tax on any given business will be except from those people who were able to come here to testify. The little fellows throughout the country, except as they were represented, did not have an opportunity to appear. However, I think if there is one thing clear, and it probably applies to many other committees of this Congress, as this Nation grows and expands and its management becomes more complex, this Con-



gress and the members of every committee must simply have the best information that it is humanly possible to secure if they are going to establish wise policies for the benefit of the country.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield to the gentleman from Missouri.

Mr. SHORT. The able chairman of the committee yesterday—and there is no finer chairman or finer man than Tom MURRAY—told us how the advertising and the circulation of newspapers and magazines had increased, and talked about exorbitant profits. The fact is that in 1939 the profit of the publishing industry was a little more than 4 percent, the profit in the iron and steel industry was in excess of 8 percent, the profit in the motor-vehicle industry was more than 9 percent, and the profit in the chemical industry was more than 10 percent. The publishing industry today is operating on a narrow margin of profit, and the gentleman from Tennessee knows that.

Mr. CORBETT. Let me thank the gentleman for his contribution and point out finally, in support of this good amendment, that if any of these companies are making too much money, we can be sure that the tax-gathering agencies of these United States will take care of the excess.

Mr. Chairman, I hope the Lyle amendment is adopted and that the bill will be passed.

(Mr. JONES of Missouri asked and was given permission to revise and extend his remarks.)

Mr. JONES of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hate to impose myself on you on this subject, but I think one thing that we are failing to take into account in considering this proposed increase in postal rates is how little it will mean to the person who is receiving the service. If the newspapers and if the magazines are not making the profit that you feel they are entitled to, I still say that they may have relief by increasing their advertising rates, which most all newspapers and most all magazines have done. They can further increase their subscription rates, as most of them have done, and the public will continue to subscribe and to receive those magazines and those newspapers.

This 20 percent increase which is proposed by the committee reflects a very, very small increase to the subscriber or to the reader of those magazines. I think the people are getting excited about what will happen if the Government comes in and requires the publishers to pay a reasonable fee. I think you are getting unduly excited about that. I think we should be more interested in trying to wipe out this deficit. We keep talking about taxes, but taxes are going to be required to meet this deficit.

As I said a minute ago, the chairman of the Committee on Rules said that they have approved bills for salary increases which will amount to about \$250,000,000. We are going to have to meet that with taxes. But here we have an opportunity to increase rates and at least meet a part of this deficit, not all of it. We

could increase rates 100 percent in this category without doing damage to any part of it.

My friend from Missouri talks about the small newspaper publishers. I know many of the publishers in his district, and I know that this would amount to probably less than a dollar a week to a majority of the publishers down there because their circulations are small. I know those publishers themselves, when they are presented with the facts of the situation, are not going to object to it. A lot of them have been led into opposing this increased cost by the association, which is dominated by the large publishers and by the magazine publishers. They are the people who are trying to keep from paying this bill. They go out and raise the price of their magazine, but the circulation does not drop. I can remember as you can when the Saturday Evening Post was a nickel, then it was a dime, and I think it is 15 cents now, but their circulation has not dropped. They can still afford to pay this increased rate. Other magazine prices have increased. All of their other costs have gone up. Can anyone explain why, if they are willing to pay all the other increases that have gone into the production and distribution of this magazine, they would complain about paying this small increase, which would amount to less than a penny even on those big magazines?

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield.

Mr. SHORT. I am glad my colleague from Missouri knows my newspaper publishers much better than I know them.

Mr. JONES of Missouri. I did not say that.

Mr. SHORT. It is very refreshing. But does not the gentleman think this whole performance is farcical, if not tragic, when we stand here and vote billions upon billions of dollars for foreign aid, yet come in here and quibble over a few million dollars for the publishers of our country? The gentleman voted for it, and I voted against it.

Mr. JONES of Missouri. Can anybody tell me what the relation is between foreign aid and paying a proper amount of postage? I see no connection between them.

Mr. LANTAFF. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, let us analyze the proposed amendment for a moment to see exactly how much money we are talking about. From the debate on this particular amendment, and the amendment preceding this one, one might believe that the adoption of the committee bill would immediately bankrupt each and every magazine and newspaper. Such is far from the truth. Let us analyze the facts. On page 154 of the committee hearings, in response to a question by Mr. REES, addressed to the publishers of Vogue magazine, the gentleman representing that magazine testified "Our total postage bill represents"—how much? Just 2 percent—just 2 percent of the total operating costs.

On page 275 of the committee hearings, you will find in response to another question by our distinguished minority

leader of this committee that a representative of the Reader's Digest in response to a question as to how much of their total overhead was attributed to postage replied that it represented 3 percent.

Let us look at the testimony of a representative of Popular Science magazine and Outdoor Life magazine who opposed the increase in second-class rates:

Since 1946, our profits have increased 30 percent. That increase in our volume represents an increase of from \$5,000,000 to \$6,500,000 a year. Despite that 30 percent increase, our profits have been going down, however, and that is due to the fact that the cost of paper has gone up and printing and all other costs have gone up.

Following that testimony, that same gentleman said in response to a question by the chairman as to the percentage of cost attributable to postage:

My point is that on these two magazines we are doing a business of \$6,500,000, so our postage charges are negligible.

In other words, Mr. Chairman, all of these people are willing to pay increased production costs on everything except postage. Then, they come before this committee and say, "If you increase our postage to pay a portion of the deficit being paid by the American taxpayers, we are going to go broke." Nothing could be further from the truth. I do not think the Members of the House are gullible enough to swallow that kind of argument.

Let us look at what it means with reference to our small weekly and daily newspapers. How much does postage represent to these people? It represents 1.6 percent. Let us look at the proposed increase with reference to the larger daily newspapers. What does it mean with reference to their advertising income? Last year, they received over \$2,000,000,000 in advertising income. How much of that advertising income did they have to pay out for postage? They had to pay out only six-tenths of 1 percent. How much will their postage be if the committee bill is adopted? They will still be paying less than 1 percent of their total advertising income for postage.

Again, let us review what the total cost is of handling second-class mail. The taxpayers of this country pay \$209,000,000 a year for handling second-class mail. How much is the total revenue today from carrying that type of mail, which these people themselves admit amounts to only 2 percent or 3 percent of their business overhead? The total revenue amounts to only \$41,000,000. Therefore, the taxpayers are paying \$192,000,000 in subsidy for transporting magazines and newspapers through the mails. This is laudable business and it performs a service for our country, but although some portion of the cost should be borne by the general public in consideration of the service rendered, nevertheless newspapers and magazines should not be subsidized to the extent of \$192,000,000 a year. The committee has recommended a fair increase which will produce an additional \$23,000,000 a year for the taxpayers of the country. Therefore, our deficit will still be \$169,000,000 for this class of mail. If you adopt this amendment which is now before us, you will be



adding further to the burden of the American taxpayers. I urge you to vote against the amendment.

Mr. FULTON. Mr. Chairman, I move to strike out the last word and rise in favor of the amendment.

I rise in favor of the Lyle amendment. In all fairness it should be passed. I publish four small weeklies so I know something about the publishing costs that the gentlemen are talking about. I would like to ask a question of the gentleman from Florida, who just preceded me. There is a 30-percent increase in cost per pound and per unit of handling second-class mail from 1929 to 1949, which is the increase that everybody says can now be figured, and which is as close as we can figure it. Why then does the gentleman say the rate should go up 60 percent on second-class mail instead of just 30 percent? The costs have only gone up 30 percent according to the committee figures, and yet you are increasing the second-class rate by 60 percent. Will somebody answer that question?

Mr. LANTAFF. The testimony offered by this one publisher was that his normal cost for his labor and paper and the cost of printing was about 30 percent but that did not include his postage charges.

Mr. FULTON. May I ask you, is this a five-or-six-million-dollar publisher or is it one of us little guys?

Mr. LANTAFF. All I know is that he said his postage cost was negligible insofar as his other costs were concerned.

Mr. BURNSIDE. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from West Virginia.

Mr. BURNSIDE. I heard from the secretary of the Publishers' Association of the State of West Virginia as to their postage cost, and it amounted to 9 cents a week increase for the first year and 27 cents a week for the last of the 3 years. If you will give me the name of your newspaper, I will be glad to tell you exactly how much it will cost you.

Mr. FULTON. What I want to point out is why you can only justify a cost increase of 30 percent from 1929 to 1949, and yet the committee argues here and tries to justify an increase of second-class postage rates of 60 percent.

Mr. BURNSIDE. I will be glad to answer the gentleman. In 1933 the Congress made a 25 to 40 percent lower cut in the newspapers, and they have never been raised, when everything else has been raised.

Mr. FULTON. You agree with with the gentleman from Pennsylvania that the committee so far has been unable to come up with accurate cost figures, and that there should be an amendment added to this bill so that accurate cost figures might be ascertained?

Mr. BURNSIDE. The cost figures have been pretty well accepted. I have the official rates, if the gentleman would like me to read them. The difference from 1933 to the present time shows a 25 to 40 percent decrease.

Mr. FULTON. Are you inferring to me that the cost of handling per pound

or per piece, second-class matter, can be accurately judged?

Mr. BURNSIDE. I am telling you the actual rates were cut from 25 to 40 percent.

Mr. FULTON. I have been speaking of cost. You cannot accurately reflect those costs per pound or per piece.

Mr. BURNSIDE. I think if you figure in all costs it would run much higher than the post office figures that have been given us. For instance, we do not show any rents on the post office, building costs, and so forth.

Mr. FULTON. Evidently on the committee there is quite a difference of opinion, and I feel like the fellow whose doctors disagree.

Mr. GROSS. The gentleman has just displayed the reason why many of us do not take these cost figures. He said a lot of things are not contained in the figures, and they are not.

Mr. FULTON. As to this second-class material, a large part is newspapers which circulate right within the county. As the gentleman from Missouri said, the Post Office carries newspapers all over the country.

Mr. BURNSIDE. Will the gentleman yield again?

Mr. FULTON. I will be glad to yield shortly.

Mr. BURNSIDE. All of us realize that the costs are not high enough in the cost ascertainment, but we have not questioned at all that they are too high.

Mr. FULTON. May I say that I do not believe the committee has given enough weight to the fact that in the Constitution of the United States there is the guaranty of freedom of the press. That means people in this country should have free access to the press, both newspapers and magazines. The committee comes here and urges us to raise the costs to one group of taxpayers by an additional 30 percent over the 30 that we are all agreed on. Perhaps if this Congress tried to increase the income taxes 50 or 60 percent some more people would be yelling too.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I rise in favor of the amendment.

First of all, Mr. Chairman, I should like to remind the postal people that if they should lose more revenue from magazines because the publishers stopped publishing, if patrons of the Post Office Department should turn to the use of express or some other means of transportation and delivery, it would be a sorry day for the Department.

Mr. BURNSIDE. Mr. Chairman, will the gentleman yield at this time?

Mrs. ROGERS of Massachusetts. I cannot yield at this time. I am sorry.

Mr. BURNSIDE. I would like to answer the question the gentleman asked.

Mrs. ROGERS of Massachusetts. I will yield later, but I cannot just at this time. I should also like to state that it seems to me there is a large portion of

foreign aid that has gone to the foreign press. Our aid has gone to foreign countries through the giving of subsidies on newsprint and subsidies on their magazines and their newspapers.

Mr. ARMSTRONG. Mr. Chairman, will the gentleman yield?

Mrs. ROGERS of Massachusetts. I shall be very glad to yield.

Mr. ARMSTRONG. The gentleman from Massachusetts has mentioned the subsidy, and that is what it amounts to, on newsprint and other items that go into the publishing business in foreign countries. I am sure the gentleman is aware of the fact that a breakdown of ECA figures of amounts sent to Great Britain and other countries show explicitly that there is a subsidy directly for the purchase of newsprint, sometimes for the purchase of printing machinery. We have no way of knowing how some of the ECA funds get into their economy. But the point the gentleman is making is well taken, that this subsidy goes directly to support the things in the economy of foreign nations that under this bill we would be penalizing in our own publishing industry.

Mrs. ROGERS of Massachusetts. I thank the gentleman. I know he has made a very great study of foreign aid and of international matters in general, and also that he has a very keen knowledge of what is going on in the publishing business in this country.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mrs. ROGERS of Massachusetts. Yes; I will yield with pleasure at this point.

Mr. FULTON. Could we ask the gentleman from West Virginia to answer to us why in 1933 the post-office rates were reduced? Was not that because the bulk fell off when the rates were increased?

Mr. BURNSIDE. No; as a matter of fact there was such a strong lobby that it was done. If you want the real truth about it, that is the real truth behind it.

Mr. FULTON. Does the gentleman mean to say that the great Committee on the Post Office and Post Roads succumbed to the influence of a lobby?

Mr. BURNSIDE. If you want the real truth, that is the truth.

Mr. FULTON. I cannot credit that to a responsible committee of this Congress.

Mrs. ROGERS of Massachusetts. I should like to remind the House of another feature also.

Mr. BURNSIDE. There is one other thing, if the gentleman will yield.

Mrs. ROGERS of Massachusetts. Yes; how much time have I left, Mr. Chairman?

The CHAIRMAN. The gentleman from Massachusetts has 2 minutes remaining.

Mrs. ROGERS of Massachusetts. I yield one-half minute to the gentleman from West Virginia.

Mr. BURNSIDE. Another thing that should be mentioned in connection with the question asked by the gentleman from Pennsylvania is that the deficit, the



national debt, was the lowest at that time it has ever been. That should have been mentioned.

Mr. FULTON. Mr. Chairman, will the gentlewoman yield that I may answer the gentleman from West Virginia?

Mrs. ROGERS of Massachusetts. I yield the gentleman from Pennsylvania one-quarter minute.

Mr. FULTON. The gentleman from West Virginia said that not all the costs were calculated on this question before us. Any United States agency which has an office in the post office is not paying rent on it. That expense comes out of the money citizens pay in the second-class mail rate.

Mr. BURNSIDE. In answer to the gentleman from Pennsylvania—

Mrs. ROGERS of Massachusetts. Mr. Chairman, I cannot yield further.

Mr. Chairman, I wish to remind the House that until the advent of magazines home life was pretty modest and pretty uninformed. For instance, in the matter of fashions, year after year and year after year women wore the same style in clothes. The magazines have done a great deal to develop a better and happier and more healthful home life. In general they have articles describing how to care for the home and work in the home very much more easily and rapidly by the use of electrical devices. Magazines are read not only once, but many times. They are kept for reference. Think of the articles on religion, on health, on science, and on many other subjects that are so valuable.

The gentleman from New York spoke of what had been done in educating the people in the use of mechanical farm devices and agriculture in general; I should like to state also that much has been done in teaching the people about their homes, the better decoration of the home, their yards, their gardens, and so forth. A good deal of revenue comes to the Federal Government from the sales as a result of the articles and pictures in the magazines. If the magazines should go out of existence the taxpayers would pay very dearly.

Mr. RHODES. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, it is interesting to note how differently Members speak when discussing the question of subsidy. If it is a question of a subsidy for decent homes for people or for increased health and educational opportunities, it is criticized as welfare-state legislation. It is then that we hear so much talk about the need for economy and the danger of national bankruptcy. But it is quite different when it is a subsidy for newspapers and magazines.

The bigger ones have grown to monopoly size and they are the chief beneficiaries of postal subsidies. In the monopoly field salaries are taken by executives of newspapers and magazines as high as \$50,000 to \$100,000 a year or more.

I have been associated all my adult life, until being elected to Congress, with the newspaper business. For a long time I worked on weekly newspapers. From my experience, I am prompted to

say that it is a lot of nonsense to contend that this legislation is going to hurt the small newspaper or put any legitimate paper out of business. I do favor equal treatment for magazines and newspapers, no matter what the rate may be. But I object to any cut in second-class rates under the amount suggested in this bill. The bill itself is a compromise which I believe already goes too far.

The original bill introduced by our chairman, the gentleman from Tennessee [Mr. MURRAY] called for a 100-percent increase in second-class postage, to be divided over a 3-year period, 50 percent the first year, and 25 percent for each of the two following years. That also was the recommendation made by the Postmaster General. In order to increase second-class rates to meet the cost of the service it would require a 500-percent rate boost in second-class postage. Therefore, the 20-percent increase is more than fair as a compromise.

It is easy and very nice to be generous to the big publishers at the expense of the American taxpayers. Of course, these publications can be very helpful and influential when election day rolls around. I do not think, therefore, that there needs to be any fear to speak in favor of this amendment. But it seems unethical to me that this amendment should be supported by Members who claim that they are for economy in Government. It is also inconsistent to favor this amendment if you oppose subsidies for decent homes for people and the opportunity for health and education on the grounds of economy or statism.

It has been said that before any substantial increase is made a special probe and study of postal affairs should be made. An investigation of that kind, in my opinion, would get us nowhere. There is no need for such delay. It is just another way of filibustering against a proper second-class rate and boost. These investigations have been proposed and delay has been going on through the years. It is nothing but an invasion of the real issue.

It has been said that we should decide whether the post office is a business or a service. To me such a decision would not solve this question. We would still have to decide whether the cost of postal service should be paid by those who use the mails or be put upon the taxpayers of the Nation. We will still have to decide whether we are to continue subsidies in order to make possible the salaries of \$50,000 a year and more to heads of news monopolies.

I believe that this bill is a fair compromise. Because of the big deficit in the Post Office Department this proposal is a very moderate approach to the problem. If we believe in economy we should practice what we preach and vote down the pending amendment.

Mr. COX. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is perfectly apparent that there is a wide division of opinion on the subject under discussion. It occurs to me that the situation is one that might yield and properly so, to further

compromise. I am wondering if the author of the amendment would not be willing to split the difference and change the figure in his amendment from 30 to 40 or 45 percent. It occurs to me that that is a basis upon which this division of opinion might meet on common grounds.

Mr. PASSMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am not on the Post Office and Civil Service Committee; I am on the subcommittee of the Committee on Appropriations that handles the appropriation for the Post Office Department and I know something about the bill under consideration.

I have not heard anything specifically mentioned this afternoon with respect to the actual increase in dollars and cents. Last year I made a radio address in my district advocating a postal rate increase. Shortly thereafter I began to receive many letters from newspapers protesting that it would put them out of business if we increased postal rates. I also received many protests from churches.

Believing at the time that my information was in error, I asked the Post Office Department to furnish me with specific figures showing the total amount of postage paid by the 21 newspapers in my district during the year 1950. There is one newspaper whose total postage for the year 1950 amounted to \$35.37, but it made a net profit and paid taxes on \$9,286. Another newspaper in my district criticized me very much for advocating an increase in postal rates. The total postage paid to mail the publication for 1950 amounted to \$11.84. This publication had a net profit of \$4,106 in 1950 on which income taxes were paid. A very large church in my district issues a weekly publication. After my radio address I received 32 letters from members of that church stating that if we increased postal rates they would have to discontinue the publication of the church paper. That deeply disturbed me. So I got in touch with the postmaster at Monroe, La., and requested that he furnish me the amount of postage this church paid per month. I was surprised to learn that the approximate postage bill for mailing this publication amounted to 6 cents per week, or a total of \$3.12 for the entire year. Certainly my informers were misinformed; otherwise they would not have expressed alarm.

I have checked the cost of postage for the entire 21 publications in my district, and find that some of them are paying less than \$12 per year total postage, and most of these publications are making a substantial net profit.

I want the friendship of the publishers of the 21 papers in my district, but I am not in favor of continuing too great a subsidy. Is it not true that newspaper publishers, book publishers and magazine publishers are in business only for one purpose and that is to make a profit? Regardless of the argument to the contrary, it would be a good business to discontinue the subsidy so that they may op-



erate according to all segments of our great competitive free enterprise system.

Unless the Congress approaches these matters on a business-like basis, in the not to distant future we will have spent and subsidized ourselves into destruction.

I shall insert at this point in the RECORD a list of the 21 newspaper publishers in my district showing the total amount of postage each paper paid to mail its publication during the year 1950. I shall list them by number but if my colleagues are interested in the names of the publications, the editors and location, I shall furnish the information upon request.

I should not like to have the editors and publishers of the 21 newspapers opposing me in my bid for reelection next year, but if it is necessary for me to sacrifice my seat in the Congress in my attempt to effect some economy and to eliminate unnecessary subsidies, then the sacrifice I will have to make. I repeat, unless unnecessary expenditures and ancient subsidies that have outlived their purposes are eliminated, economic chaos will be the price of our indifference to these complex problems.

Publication 1, total 1950 mailing cost, \$11.84.

Publication 2, total 1950 mailing cost, \$14.78.

Publication 3, total 1950 mailing cost, \$24.71.

Publication 4, total 1950 mailing cost, \$39.85.

Publication 5, total 1950 mailing cost, \$48.72.

Publication 6, total 1950 mailing cost, \$70.65.

Publication 7, total 1950 mailing cost, \$71.50.

Publication 8, total 1950 mailing cost, \$70.51.

Publication 9, total 1950 mailing cost, \$73.01.

Publication 10, total 1950 mailing cost, \$35.37.

Publication 11, total 1950 mailing cost, \$74.62.

Publication 12, total 1950 mailing cost, \$79.05.

Publication 13, total 1950 mailing cost, \$60.90.

Publication 14, total 1950 mailing cost, \$117.25.

Publication 15, total 1950 mailing cost, \$177.82.

Publication 16, total 1950 mailing cost, \$82.62.

Publication 17, total 1950 mailing cost, \$239.30.

Publication 18, total 1950 mailing cost, \$179.13.

Publication 19, total 1950 mailing cost, \$244.16.

Publication 20, total 1950 mailing cost, \$428.72.

Publication 21, total 1950 mailing cost, \$7,320.94.

Mr. McKINNON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in the course of this debate there does not seem to be much difference in the idea that we do need some increase in the amount of second class postage. The question seems to me as to how far we shall go. I have published small town newspapers and

little weeklies and medium-sized weeklies, free circulation and paid circulation, and a metropolitan daily, and I do know a little bit about the newspaper business. I would like to point this out. Take the case of a typical newspaper in the United States, and I hold one in my hand right now. It runs about 14 pages a week, runs about 50 percent advertising content and puts about 5,200 copies a week in the mail for delivery.

This newspaper pays \$5.21 a week to have its 5,200 newspapers delivered. This figures 1 mill per copy delivery cost.

This newspaper, as I said a moment before, contains 50 percent news content, which is a service and information guide to the people, and about 50 percent advertising, which is of value to the merchants in promoting and stimulating business. In addition to the 5,200 copies of paid circulation that this newspaper gets out as a newspaper, it also takes advertising and groups the ads together and puts out a shopping news, of which it distributes 8,703 copies, at a cost of 1¼ cents a paper. The shopping news contains 100 percent advertising, no news at all. They concede by the actual operation of their shopping news that it is worth 1¼ cents a copy to send this shopping news out to the readers for the benefit of the merchants.

Let us suppose for a moment that we take the news content of all papers and consider that as a complete subsidy. We charge nothing for that. We give it away, and let the publisher get the benefit of it for the benefit of the reading public; but on the advertising we charge a full rate. If we adopt that sort of philosophy, we are forced to the conclusion that if the publisher of a weekly shopping news is willing to pay 1¼ cents for a copy of 100 percent advertising, then he likewise should be willing to pay three-quarters of a cent to distribute a similar size paper containing only 50 percent advertising and 50 percent news. I think that is very logical. Yet at the present time, we have the illogical situation when the publisher pays only 1 mill to have delivered a newspaper containing 50 percent news and 50 percent advertising; not three-quarters of a cent but only 1 mill.

If we take the committee amendment and say that there should be a 20-percent increase for this year and 20 percent for next year and 20 percent the third year, the man's final postal bill is going to be only 1.6 mills for delivering a copy of a 14-page newspaper containing 50 percent advertising, whereas by his own admission in the operation of a shopping news he agrees that a fair price would be at least three-quarters of one cent for the delivery of this newspaper.

It is evident from the newspaper publisher's own actions that a 60-percent increase is fair and logical. This holds true for the whole newspaper industry throughout the United States, except the big metropolitan dailies, which are not affected very much by this rate increase anyway. The 20 percent, 20 percent, and 20 percent increase is not going to cause an undue hardship on the publisher. We are certainly going to give him benefit for the value he renders in news con-

tent by not charging anything for that space in delivering the newspaper.

I might say also if he were delivering a newspaper by carrier boy or by house-to-house distribution through a circulation agency he would be paying at least 1 cent a copy and probably a little bit more if he got porch delivery for his newspapers. I know that to be a fact, too. So when he gets delivery after the 3-year rate increase of a 14-page newspaper at 1.6 mills he is indeed getting a very good value, and a value that is not going to put him out of business by any stretch of the imagination.

As far as magazines are concerned, I was very much interested in hearing the gentleman from Florida say that magazines pay about 3 percent of their total income for second-class postage delivery. If you adjust that by 20 percent each year, that means the adjustment for postal rates in proportion to total income in that particular segment is only six-tenths of 1 percent after the 3-year period. They have made adjustments in the last 2 years on paper upward of nearly 100 percent, and of labor better than 60 percent. Certainly they can take a six-tenths of 1 percent adjustment after 3 years in order to help pay their way in the delivery of second-class matter.

May I say in closing that a free press does not mean a free ride. I think publishers should pay their due share of the cost of second-class mail. More than that, I think most publishers realize that there is a great danger to the freedom of the press in Government subsidies. The best way to keep your freedom is to pay your own way.

Mr. MURRAY of Tennessee. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. ARMSTRONG].

Mr. ARMSTRONG. Mr. Chairman, I listened with great interest to the remarks of the gentleman who preceded me. In some regards, I agree with him, and I certainly agree with him on the necessity for some adjustment in postal rates. That was agreed to in committee, and I am sure it will be agreed to by the Committee of the Whole and by the House. However, I have some questions in mind with regard to the gentleman's remarks on two points. He mentioned the Shopping News. I am under the impression that such a publication does not come under the second-class rate. It has a third-class rate, as I understand it. Therefore, his remarks to that extent, would not be applicable to this amendment. I had some question also in regard to the earnings of these newspapers as shown by their income tax. I do not know how the gentleman got those figures. I do not question those figures, but I do not know how he obtained them.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?



Mr. ARMSTRONG. I yield.

Mr. PASSMAN. I happen to have the Dun & Bradstreet report on one company, and I will be happy to furnish the gentleman with that Dun & Bradstreet report, and also copies of 22 such reports on other companies.

Mr. ARMSTRONG. I am not aware that the Dun & Bradstreet reports, or any other reports, carry the records of the payment of an income tax.

Mr. PASSMAN. You can get the net profit in the summary with reference to any firm.

Mr. ARMSTRONG. However, Mr. Chairman, as I said before none of us will dispute the necessity for some raise in these postal rates. The sole question before us, and we are trying to reconcile our differences, is how large the increase in second-class postage rates should be. I do not believe anyone here seeks to put into effect an increase which would seriously penalize or in many instances wipe out completely the small, specialized publications, particularly the farm magazines and the magazines which report progress in medicine and religion and so on. There are a total of over 12,000 of these publications. Yet, I call the attention of this committee to the fact that it is precisely these small publications that would be the most seriously affected by this amendment.

The dozen or so big magazines, many of which have been mentioned here by name, are not dependent on the mail as are the smaller magazines. As the gentlewoman from Massachusetts said, many of these big publications, if the 60-percent increase should be placed upon them, could find other means of distributing the bulk of their product by other means than the mail. To that extent our Post Office Department would be losing the income now actually being received as well as the increased income that would be received from the 10 percent increase.

The question before us then is to decide what amount will be equitable and just. I can say to you on behalf of many of the publishers who have testified before the committee, who said, "We would be willing to accept a just increase." Pinned down by the questioning of members of the committee, many of them said, "We will absorb a 10-percent increase. Beyond that it would be difficult." Not many said, "We will simply go out of business." But some of them said they would have great difficulty with a 60-percent increase as provided by this bill. Therefore, I plead that the amendment be adopted.

I ask you in all seriousness to consider whether we should go so far as to penalize many of those publishers who simply cannot absorb the 60-percent increase in 3 years' time.

Mr. Chairman, in regard to this cost-ascertainment report, I think it ought to be pointed out to the committee that some of us on the Post Office and Civil Service Committee are greatly confused about it. The Postmaster General, Frank C. Walker, in 1934 said:

Cost ascertainment does not and cannot reflect intangible factors such as the degree

of preferment in mail handling, the relative importance and economic value of the several classes of mail, or the relative priority of service.

That, of course, is quite obvious. If the Post Office were to base all charges, including the delivery of first-class mail, on its cost-accounting-ascertainment report, you would pay five times as much postage for a letter to a farm as to a city address.

Postmaster General Walker stated in 1943 that the cost ascertainment report "should not be used for rate-making purposes." One Postmaster General after another—Farley, O'Mahoney, Hannegan—have agreed with this principle. Indeed, if postage rates for magazines and newspapers were to be adjusted on the basis of the cost ascertainment report, they would have to go up so much that no publication could afford to use the mails.

If railroads followed the cost ascertainment system of the Post Office Department, they would charge as much to ship 150 pounds of coal as they charge for the passenger fare of a 150-pound man. If the Bell Telephone Co. or Western Union used the post office cost allocation system, and established rates on the basis of those allocated costs, they would charge twice as much for night calls and messages as they charge in the daytime. Actually, their night rate is just about half of the day rate. That is because telephone and telegraph companies, like railroads and any other company that must set rates which will produce business, do not charge extra services with the cost of facilities which would have to be paid for even if the extra services did not exist. And on this out-of-pocket cost basis, second-class mail is already paying its way.

The cost ascertainment report is based on a sampling of costs in various test post offices throughout the country. For some unexplained reason the basis of the report was changed in the year 1950 to include in the sample nine more test post offices: Dayton, Ohio; Springfield, Ohio; Dunellen, N. J.; Concord, N. H.; Albany, N. Y.; Des Moines, Iowa; Greenwich, Conn.; Louisville, Ky.; Sharon Hill, Pa.

Some of you may not have heard of these post offices, because the only thing they have in common is that they are the printing places for many of the largest circulation magazines—magazines like the Saturday Evening Post, the Reader's Digest, McCall's, Better Homes and Garden, and Collier's.

The addition of these nine post offices vastly increased the expense which the Post Office Department allocated to magazines. This illustrates the arbitrary nature of the cost ascertainment report. Either all previous cost allocations were wrong, or else the 1950 allocations were wrong.

I ask that the amendment be adopted. (Mr. ARMSTRONG asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. KENNEDY].

(Mr. KENNEDY asked and was given permission to revise and extend his remarks.)

Mr. KENNEDY. Mr. Chairman, I have been interested in the postal deficit problem since I have been in Congress. I have introduced legislation to separate the air-mail subsidy so that payments to airlines for transporting mail will not be charged to the postal deficit. This seems to me to be a constructive step. It was first suggested by the Hoover Commission, and I am happy to note a parallel bill is making progress in the other body. This subsidy amounts to between thirty to sixty million dollars.

The Post Office and Civil Service Committee is to be commended for reporting a mail-rate-increase bill. This appears to be a necessary step toward solution of the postal deficit problem. However, I rise in support of the Lyle amendment. It calls for a 30-percent increase in second-class rates on publications, instead of the 60-percent increase provided in the committee bill. Obviously, the deficit is so large that it cannot be wiped out by any amount of rate increases. It seems to me that 60 percent is a pretty big jump—one that many small publications could not survive. There are about 12,000 publications classed as magazines. Most of them are unknown to most of us, but they must serve a useful purpose or they would not continue. All but a few score of these publications are small. I am not worried about the big daily newspapers or the national magazines of wide circulation. I am sure they will be able to get along no matter what we do on second-class mail rates. The big publications can shift from the mails to other means of distribution. Most newspapers are already distributed outside the mails. The big magazines can use newsstands to a greater degree. But only 400 out of 12,000 magazines are sold on newsstands. The others are completely dependent on the mails. I fear the casualty list will be high if these smaller publications are subjected to a 60-percent increase. I think 30 percent is a good compromise. In addition, 75 percent of the subscribers are women who depend on these magazines. Of the remaining 25 percent, most are farmers who need them for their work. I understand a proposal will be made for a thorough study of the postal problem, including rates, by a special joint congressional committee. This study should be made before rates are raised to a degree which threatens the continued existence of many worthwhile publications.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

The Chair recognizes the gentleman from Ohio [Mr. BENDER].

(Mr. BENDER asked and was given permission to revise and extend his remarks.)

[Mr. BENDER addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. SPRINGER].



(Mr. SPRINGER asked and was given permission to revise and extend his remarks.)

Mr. SPRINGER. Mr. Chairman, it seems to me there is an important question that has not been raised here, and I take this time for the purpose of getting some information.

First, I wish to make a couple of observations.

I happen to have three or four of the largest newspapers in my district who have never specifically objected to me about any raise in the postal rates, but they certainly have objected to the manner in which the newspapers have been handled in the post office. I am wondering if the committee has given any read thought of allowing credit to newspapers in the distribution of their products where the newspaper performs duties that actually should be borne by the Post Office Department itself. I find that several of the newspapers in my district on star routes have been delivering their newspapers to the various post offices at considerable cost to themselves. They have been performing a duty of the Post Office Department which should be covered by the second-class mail rate which they pay. Nowhere have these newspapers been given any credit for doing the work of the Post Office Department. These newspapers, in correspondence to me, have not indicated whether they think 30- or 60-percent increase in second-class postal rates is fair. However they do raise well-founded objections, in my opinion, to the way in which these things have been handled thus far by the Post Office Department.

For instance, one newspaper in my district paid in second-class postage in 1 year \$16,640. These payments were made to the Post Office Department supposedly for delivering the issues of this particular newspaper. However this same newspaper in that year paid a Remember now that the \$4.075 was paid to get those newspapers to the different post offices. It was necessary for this newspaper to get their issues to the various post offices on the day of publication in order that they may be delivered the next day. This diligence was necessary. People do not want to read their newspapers 3 or 4 days after they are published. This newspaper was in fact running its own star route in order to make their paper available to their readers at the earliest possible moment. Remember now that the \$4.075 was paid in addition to the \$16,640 which they had already paid supposedly for having the newspapers delivered. Nowhere was this newspaper given any credit for the fact that it was doing the job that the post office should have been doing.

The principal objection of these newspapers is to the kind of service that they are getting from the Post Office Department. It seems to me we will all have to admit that these are well-founded and constructive criticisms that are being made as to the manner in which second-class mail is being handled.

The second objection that has been raised a great deal is the question of whether or not the Post Office Depart-

ment is using up-to-date methods in ascertaining whether the costs apportioned are fair. I read further from a letter I received from one of these publishers:

However, it is our opinion that the Post Office Department has never accurately informed Congress of the cost of the various elements of its activities. It is true that the Post Office Department has submitted elaborate statistical schedules purporting to show the cost and revenue from various classes of mail service. However, the Post Office Department has never explained the basis for the apportionment of various postal expenses between the several classes of mail. Until such time as the formula for these apportionments are made public it is impossible for Congress or us to judge the reliability that should be placed on the conclusions of the Post Office Department in this question.

I think one of the duties of the chairman of this committee should be to get statistics by a thorough investigation of its own instead of having the Post Office Department determine whether or not the costs apportioned to the various types of mail service are fair. I may say in passing that I have talked with members of the committee in the other body and I understand they did take that into consideration not more than 3 or 4 years ago. That is, to get their own accountants in and to determine whether the costs apportioned by the Post Office Department were fair.

I wish to ask the chairman of the committee if anything has been done by the committee along that line, or are you accepting the costs as they come to you from the Post Office Department without a separate investigation of your own?

Mr. MURRAY of Tennessee. I may state that the cost-ascertainment system has been examined by the best accountants in this Congress. The Congress appropriated \$100,000 to have the cost-ascertainment system checked a few years ago. That was done by the comptroller of the American Telephone & Telegraph Co. He had an efficient staff, and his investigation covered 2 years. After this investigation the conclusion he reached was that the cost-ascertainment system of the Post Office Department was the best that could be devised.

Mr. SPRINGER. Was that as a result of the committee's own investigation or not?

Mr. MURRAY of Tennessee. That was the result obtained by our committee.

Mr. SPRINGER. It is my understanding that Price-Waterhouse & Co., one of America's best known accounting firms, made a separate investigation in the course of the Hoover Commission investigation and came up with entirely different figures than the ones made by the Post Office Department itself and also the one referred to by the chairman. It is my further understanding that Price-Waterhouse reached different figures on the question of the apportionment of costs and also different recommendations as to what should be done by the Post Office Department in bringing its accounting system up to date. The committee would do well to get that

report out and review it. Many of the recommendations contained therein are pertinent at this time in ascertaining the correct cost that should be apportioned to the various classes of mail in the Post Office Department.

(Mr. PASSMAN asked and was given permission to revise and extend the remarks made earlier today.)

The CHAIRMAN. The gentleman from Tennessee [Mr. MURRAY] is recognized to close the debate.

(Mr. MURRAY of Tennessee asked and was given permission to revise and extend his remarks.)

Mr. MURRAY of Tennessee. Mr. Chairman, there is little I can add to what I have previously said about the matter of rates on second-class matter.

I am strongly opposed to the amendment offered by the gentleman from Texas [Mr. LYLE].

The question was asked as to the cost ascertainment system employed by the Post Office Department. You do not need to question that when you realize that since 1945 the total expenses of the Post Office Department have increased more than \$1,000,000,000: Over \$300,000,000 was due to an increase in salaries, over \$175,000,000 to an increase in the cost of transportation, and over \$125,000,000 increase in equipment and supplies; and tomorrow I am sure this House will vote another bill which will increase postal salaries by another \$251,000,000.

It is a question of whether or not you are now going to make those who use the mails for profit pay their fair share, or whether you are going to make the taxpayers of our country themselves make that contribution. Certainly it is not fair to the general taxpayers to make them pay this immense subsidy which the newspapers and magazines are now enjoying. Our newspapers and magazines contribute only about 2 percent of the total postal revenue yet they supply 20 percent of the total weight carried.

Mr. Chairman, it is shocking, how low the postal rate on newspapers and magazines is today. I appeal to this committee to be fair; let us make the newspapers and magazines pay some little part of what they should pay. We are asking them to pay only 10 percent of the deficit caused by carrying second-class mail.

The deficit is about \$200,000,000. Under the bill as reported by the committee the increased revenue will be about twenty-three or twenty-four million dollars. There will still be a deficit on your newspapers and magazines if you stand by the committee of around \$175,000,000. So I appeal to you to stand by the committee and vote down the pending amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. LYLE].

The question was taken; and on a division (demanded by Mr. LYLE) there were ayes 109, noes 80.

Mr. MURRAY of Tennessee. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. REES of Kansas and Mr. LYLE.



The Committee again divided; and the tellers reported that there were—ayes 131, noes 98.

So the amendment was agreed to.

Mr. McCARTHY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCARTHY: Page 15, line 11, after the word "individual", change the period to a semicolon and add "And provided further, That existing rates shall continue in effect with respect to any religious, educational, or scientific publication designed specifically for use in school classrooms or in religious instruction classes. The publisher of any such publication before being entitled to such rate shall furnish proof of qualification to the Postmaster General at such times and under such conditions as the Postmaster General may prescribe."

Mr. McCARTHY. Mr. Chairman, the purpose of my amendment is to extend to classroom periodicals and Sunday-school papers the same postal rate preferences as the bill already gives to non-profit publications in the field of religion and education. The work performed by the publications which would be exempted from a rate increase, if my amendment is adopted, is the same as that performed by the nonprofit publishers already exempted. These publications foster similar ideals—religious, moral, and civic.

Under the terms of my amendment they must be used in connection with classroom educational work or in connection with Sunday-school programs. The amendment expressly provides that each publisher before being entitled to a preferential rate must prove qualifications to the Postmaster General. These classroom publications and Sunday-school papers make a very important contribution to good education and to the promotion of the general level of religious and moral life in this country. They make a most important contribution to what was described by President Truman in his speech at the White House Conference on Children and Youth last December, as a fight against "moral cynicism and a materialistic view of life."

The Nation's teachers and the Nation's top educators consider the work done by the classroom magazine as essential to the effective instruction in social studies, and so forth. Dr. J. E. Morgan, editor of the Journal of the National Education Association, in testifying before the committee, stated that our schools are benefiting greatly by the use of periodicals designed for classroom work in current events and civic education, such as the American Observer, Scholastic, American education publications. Such periodicals, along with educational periodicals, deserve special consideration. Most of these publications operate on a very narrow margin and would, in many cases, be forced to discontinue publication or to drastically limit their educational and religious efforts if the postage rates proposed in this bill should become effective. I sincerely urge the Members of the House to support my amendment.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. McCARTHY. I yield to the gentleman from Montana.

Mr. MANSFIELD. I want to compliment the gentleman from Minnesota for offering this amendment. I think it is very worth while, and I shall be most happy to support him in his effort.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. McCARTHY. I yield.

Mr. REES of Kansas. Am I correct in this statement: The gentleman is familiar with the fact that we have already exempted nonprofit magazines, religious, educational, and others?

Mr. McCARTHY. That is correct.

Mr. REES of Kansas. What the gentleman proposes to do is include those who make a profit if their publications are used in classrooms or in churches?

Mr. McCARTHY. Only if they are used in classrooms or Sunday schools, not those for general circulation.

Mr. REES of Kansas. If they are used in Sunday schools or classrooms the gentleman would exempt them, even though they make a profit.

Mr. GOLDEN. Mr. Chairman, will the gentleman yield?

Mr. McCARTHY. I yield to the gentleman from Kentucky.

Mr. GOLDEN. Is it not also true that sometimes when these magazines that are published by churches do make a profit the profits are used for charitable purposes?

Mr. McCARTHY. In many cases.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. McCARTHY. I yield to the gentleman from New York.

Mr. KEATING. How does this amendment differ, if at all, from the amendment offered by the gentleman when we previously had the matter of postal rates before us?

Mr. McCARTHY. The only significant difference is that at that time an amendment was added to exempt agricultural publications. This language is slightly different, because I tried to make it conform to the language of the Senate bill. The effect would be the same insofar as religious and educational publications are concerned.

Mr. KEATING. I supported the gentleman's amendment at that time.

Mr. McCARTHY. I recall the gentleman's support.

Mr. KEATING. And I expect to support it this time.

Mr. McCARTHY. I thank the gentleman from New York.

Mr. CARNAHAN. Mr. Chairman, will the gentleman yield?

Mr. McCARTHY. I yield.

Mr. CARNAHAN. I commend the gentleman's amendment. It certainly has merit, and it ought to be adopted.

Mr. McCARTHY. I thank the gentleman.

(Mr. McCARTHY asked and was given permission to revise and extend his remarks.)

Mr. BURNSIDE. Mr. Chairman, I move to strike out the last word and rise in opposition to the amendment.

(Mr. BURNSIDE asked and was given permission to revise and extend his remarks.)

Mr. BURNSIDE. Mr. Chairman, I have a memorandum here from the Post

Office Department, which I would like to read in opposition to the amendment. Before I do so, however, I want to state that it is with much hesitation that I rise in opposition to such a fine man, with such a splendid record, and also with reference to the subject matter which the gentleman is trying to cover. I do want to say, however, that the churches, the schools, the nonprofit organizations have already been exempted. This is merely exempting them and putting them in the same class as non-profit-making organization. This in simple words is giving a guaranteed profit to these people who are in this type of business. I submit a Dun & Bradstreet report on the income of these people. If you read, and examine it closely, you will find it rather startling.

Mr. Chairman, let us go first to the statements of the Post Office Department. The amendment reads as follows:

Any religious, educational, or scientific publications designated specifically for use in school class room, or in religious instruction classes.

Such exemption is to apply regardless of whether the publications are owned and published for private profit.

Mr. Chairman, this is a new departure by the House, and a new departure by the other body. If we were to start this, there would be no end to it. Again it is a case of Uncle Sam acting at Santa Claus to a specific group in society.

A list of the principal periodicals which benefit from the proposed provision is attached.

The proposal should not be adopted. To do so would be unwise, discriminatory, difficult to administer, and create a precedent which would cause other groups of publishers to seek similar treatment.

Already I have heard some say on the floor today, "We would like to get into that same classification. We just do not like to pay more money." Who does?

Second-class matter is currently handled at a loss of about \$200,000,000 a year.

This would be another method of increasing the deficit. Because of this fact, and in view of the tremendous annual postal deficit exceeding a half billion dollars, I remind you it will be increased by another \$275,000,000 in the salary bill. Please let us keep these subsidies out like the one in this amendment.

The present rates are exceedingly low, having been established many years ago when the cost of operating the postal service was far below the present cost and any revision of those rates should in equity apply to all types of publications.

There are 40 of these publications sent through the mail to the pound. Forty of these publications, which I hold in my hand, are carried through the mails for 1½ cents, and after the increase it would only amount to 2 cents total cost. This publication, which I show to you, The Young Citizen, runs 50 or 60 to a pound. This would only amount to an increase of forty-five one-hundredths of 1 cent for each one of these publications.

Mr. Chairman, all of us know that it will not benefit the student, and it will not benefit the people in the churches. All of us know that it means just a profit



for those who publish these publications, a guaranteed profit.

The periodicals which it is proposed to exempt from any increase in postage rates are published for private profit and apparently the publishers are doing well and making money. They have been able to take care of the increased costs of labor, material, etc., as they occurred in recent years and they should be able and willing to meet any reasonable increase in postage on the mailings of their periodicals. The increase of 100 percent, spread over a period of 3 years, as asked by the Post Office Department is not high.

We are only asking 60 percent increase and with the Lyle amendment only 30 percent.

The CHAIRMAN. The time of the gentleman from West Virginia [Mr. BURNSIDE] has expired.

Mr. BURNSIDE. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BURNSIDE. Mr. Chairman, in my judgment, the House will make a very critical error if they permit publications which are published for profit to have a special exemption along with the non-profit religious, charitable, and so forth, organizations.

I will concede that a very appealing case can be made when it is presented that postal-rate increases will come out of the pennies of school children. Such a statement, however, can neither be substantiated nor justified. The increased postage will be paid by the companies who produce these publications in exactly the same way as they have paid the other increased costs.

Since these are profit publications they are conducted on a strictly profit basis. The rates charged the school children are based upon the rates charged by competitors, and, of course, largely based upon the rate which will bring the greatest financial return to the publishers. Subscription prices, in other words, are based on what the traffic will bear and savings by subsidized postal rates go into profits and increased salaries for owners.

The publishers who produce these current event and instruction sheets are doing very well financially. For example, the company of one of the witnesses who testified before our committee and who made a lengthy presentation of the disastrous effect of these moderate rate increases on their publications had a rating by one of the credit rating companies in 1940 of from \$5,000 to \$10,000. In 8 years this rating had gone to from \$300,000 to \$500,000. In other words, in 8 years this publisher has increased the valuation of his business—and it is my understanding this company is not a stock company—by from 60 to 100 times. This does not take into consideration salary increases and profits which have gone to the owners.

Another one of these publications was started a number of years ago with a borrowed \$500 and today its valuation is over a million dollars. I merely cite these instances to show that these publishers, if they are sincerely interested

in the school children, could absorb this comparatively small postal rate increase and still sell their publications to the school children at the same price. I say this comparatively small postal increase because postage is such an insignificant part of their total cost and is large as to any individual publisher only because he sends thousands of copies of each publication through the mail.

I should like to point out that these publications are distributed through the schools. There is little if any packaging or sorting done by the publisher. They are sent in bulk at the rate of 1½ cents a pound. These small circulars will run over 40 to the pound. In other words, a parcel of these publications weighing 10 pounds can be sent any place in the country for 15 cents. If the increases provided in this bill apply, a parcel weighing 10 pounds, after the first increase of 20 percent, will be 18 cents and after all of the increases have been applied, it can be sent for 24 cents.

#### FOUR HUNDRED FOR 24 CENTS, NEW RATE

Now the important and significant part of this is that in the parcel of 10 pounds are more than 400 copies of these publications which will eventually be distributed to individuals. The increase per piece is so insignificant that it is inconceivable that any publisher would want to pass on to the school children their increase and, in fact, if they do pass on any increase, it is not going to represent just an increase in postage but will serve as a medium to add to their profits. Only 9 cents more on 400 pieces after three increases would be only nine-four hundredths of 1 cent per piece for handling.

My good friend, he is no piker. He wants the moon and the stars thrown in for a subsidy.

An increase of 60 percent over the same period as provided in H. R. 2982 would certainly be quite small in the face of the cost of handling second-class mail. Most of these profit-making classroom periodicals pay only 1½ cents a pound postage regardless of zone, and an increase of 20 percent would amount to only three-tenths of 1 cent, which would increase the rate for the first year to 1.8 cents a pound; to 2.1 cents a pound for the second year; and 2.4 cents a pound for the third year and thereafter. Such rates are applied to the bulk weight of the mailings and not to individual copies.

There is no logical reason why these periodicals should be placed in a preferred class and relieved from bearing their fair share of any general increase in second-class postage rates, thereby requiring the Post Office Department to assume the subsidy. The publishers who seek such preferential treatment are in this particular field for profit the same as other businessmen or concerns in commercial enterprises. It is a fairly lucrative business and an easy way to make money without a large original investment or overhead expenses as is encountered in other commercial enterprises. Since subscriptions are obtained in bulk from the schools, or teachers of the schools, the business does not require as much work in circulation pro-

motion as in the secular publications which have to obtain individual subscriptions or individual copy sales. In the classroom-use field the contact by the publisher is with the schools or teachers who order the copies in bulk, remitting the amount of the subscription to the publishers. The teachers or the schools ordinarily collect the subscription price from the individual students.

In view of the large volume of low revenue-producing mail and the constantly increasing cost of operating the postal establishment, resulting in tremendous annual deficits which tend to cause Congress to reduce appropriations for the Department, thereby necessitating curtailment of essential services, this is no time to worsen the situation by special concessions to preferred groups of mailers and thereby saddle on the Post Office Department additional subsidies which must be met by general taxation. In this period of emergency the Government is looking to all possible sources for revenue to meet its expenses and build up our national defense. Second-class mail, including all types of publications, which has been so greatly favored for many years should now pay a more reasonable share of its cost.

I also have listed a few from Dun & Bradstreet's report on their income. For instance, the George A. Pflaum Co., Dayton, Ohio, started with a classification of \$5,000 to \$6,000 in 1940, and they are now up to a classification of \$300,000 to \$500,000.

Others show a similar increase.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. BURNSIDE. I shall be glad to.

Mr. KEATING. Is it not a fact that if the cost on these religious, educational, and scientific publications for use in school classrooms or in religious-instruction classes is increased by the publisher that will in fact come out of the pockets of the school children or their parents?

Mr. BURNSIDE. I will be glad to answer that question for the gentleman. It will not, for this reason: That when you have 40, 50, or 60 of these publications like this classification, and here is one 50 to the pound, the increase would be so small, amounting to a small fraction of a cent, that you could not pass it on.

Mr. WITHROW. Mr. Chairman, I move to strike out the last word.

(Mr. WITHROW asked and was given permission to revise and extend his remarks.)

Mr. WITHROW. Mr. Chairman, I am glad to support Mr. McCARTHY's amendment. I supported this very provision when it was adopted by the full House of Representatives last year. I supported it in committee again this year. The merits of these publications are obvious; their value is surely recognized by every Member of the House. Many Congressmen may not realize, however, that the distribution of these publications places a disproportionately small cost to the postal service. It costs the postal system less to handle these periodicals because of the way they are distributed. Most magazines address single copies to individual subscribers. Sunday school and



classroom magazines are addressed to schools and churches in bulk packages. The average package contains some 30 magazines. It is not necessary for postal workers to sort those magazines and deliver each copy to an individual addressee. One postal delivery will place copies of these periodical texts in the hands of many children. And in most cases, there is practically no handling of the packages before delivery. In the classroom publishers' mailing room the packages for one city postal zone or for one small town are placed in one mail sack addressed to the post office of final destination. Those mail sacks need not be opened and sorted in the post office. Often they go directly to the mail trains, and they are never opened from the time they leave the publishers' mailing room until they are delivered to a school or church. In some cases, the local teacher even picks up her package at the post office itself. Delivering these lightweight periodicals in bulk packages is a much less complicated and much less expensive operation for the post office than delivering single magazines to individual homes. I think these magazines deserve a low rate because of the valuable services they perform; I also think they deserve a low rate because they cost the postal service less money to handle than do most other periodicals.

I am supporting this amendment wholeheartedly. I think that the House, as a matter of wise public policy, should vote to encourage the good work being done by Sunday school magazines and classroom periodicals. Every school boy and girl today needs training in good morals. Every child needs to know the principles and the policies of our American Government. Classroom magazines alone can give them such knowledge, for these little current-affairs papers are the only current materials in which the problems of the world and of our Government are discussed week by week in the language of the child. This House last year adopted a similar amendment. The Senate Committee on Post Office and Civil Service has written this provision into the postal-rate bill it has reported to the Senate. I hope the House today will repeat its action of last year.

Mr. MURRAY of Tennessee. Mr. Chairman, I rise in opposition to the pending amendment.

(Mr. MURRAY of Tennessee asked and was given permission to revise and extend his remarks.)

Mr. MURRAY of Tennessee. Mr. Chairman, I appreciate the motive behind the gentleman from Minnesota [Mr. McCARTHY] in sponsoring this amendment, but may I say very advisedly and frankly that if you adopt this amendment it is going to set a very bad and dangerous precedent for the Post Office Department in the future.

Heretofore the Congress has only given special and preferential rates to nonprofit religious, fraternal, labor, educational, agricultural, and so forth, publications. This amendment would include in this group getting a preferential rate religious, educational, or scientific publications for profit that are engaged in sending out publications to classrooms or for religious instruction.

Why do I say this is a dangerous precedent and would cause trouble in the future? Do you not know that when you open the door and start adding profit groups to these nonprofit groups and give them the same treatment year after year other profit groups will come in here and ask for the same exemptions. You will have trouble in the future. It is up to you whether or not you are going to do that but I hope you will vote this amendment down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. McCARTHY].

The question was taken; and on a division (demanded by Mr. McCARTHY) there were—ayes 64, noes 73.

Mr. McCARTHY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. BURNSIDE and Mr. McCARTHY.

The Committee again divided; and the tellers reported that there were—ayes 89, noes 84.

So the amendment was agreed to.

Mr. CORBETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CORBETT: On page 26, line 1, add a new section 13 to read as follows:

"The chairman of the Committee on Post Office and Civil Service of the Senate and the chairman of the Committee on Post Office and Civil Service of the House of Representatives are hereby directed to jointly employ a staff of experts not to number less than 5 or more than 10 whose duty it will be to study and investigate the whole operation of the Post Office Department and to make recommendations from time to time to the appropriate committees of the House and Senate. The experts so employed would be compensated with a salary not to exceed \$15,000 per year, and would be permitted to expend such amounts for clerical hire and other expenses as the two chairmen jointly authorize."

Mr. MURRAY of Tennessee. Mr. Chairman, I make the point of order against the amendment that it is not germane to this bill, either to the title or the provisions of the bill.

Mr. CORBETT. Mr. Chairman, I wonder if the chairman of the committee will reserve his point of order so that I may explain the amendment.

Mr. MURRAY of Tennessee. Yes; I will be glad to reserve the point of order, Mr. Chairman.

Mr. CORBETT. Mr. Chairman, I recognize that the point of order against this amendment is probably in order. However, I did hope the point of order might not be raised because there has been so much expression publicly in the committee and on the floor during the course of this debate which points to the fact that we do need some kind of a staff expertly trained to advise us and supply us with figures, facts, and opinions upon which we can base more intelligent judgment.

In the Senate the Carlson study and investigation amendment was unanimously reported by the committee; was adopted by the Senate; and is now a part of the pending legislation. It is only regrettable that because of a technicality here in parliamentary procedure this

amendment, which might do so much to help us in our deliberations, may be ruled out. I am hopeful that if it is the conferees will at least agree to the Carlson amendment and when it comes back here to the House it can be adopted.

I recognize, again, that in the sincere work of this committee any of their failings are due not to a lack of sincere effort but to a lack of the equipment they need to come here and present the House with legislation that is pretty much beyond the point of controversy.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield.

Mr. REES of Kansas. As I understand the gentleman's proposal, he would in substance appoint a committee of Members of the House and Senate to study the problem and make recommendations?

Mr. CORBETT. No, not Members of the House and Senate.

Mr. REES of Kansas. Are not Members of the House and Senate included?

Mr. CORBETT. No. These experts were to be appointed by the chairmen of the House and Senate committees jointly, by agreement.

Mr. REES of Kansas. Would not the committee have any control or guidance there at all?

Mr. CORBETT. The experts would be under the control and direction of the committee chairmen. They would be employed under the terms of this amendment by the chairmen of the two committees of the House and Senate.

Mr. REES of Kansas. Would they be authorized to hold hearings and subpoena witnesses?

Mr. CORBETT. They would be authorized to investigate and study and make recommendations. They would be under the direction and jurisdiction of the House and Senate committees, respectively. It is quite a little different from the Senate proposal in that regard.

Mr. REES of Kansas. As I recall the Senate proposal, it does include Members of the House and Senate. I was under the impression that the gentleman's proposal was similar to the Senate amendment.

Mr. CORBETT. No, I wanted to make it subject to the jurisdiction of the two legislative bodies.

Mr. REES of Kansas. It has been changed since I saw it?

Mr. CORBETT. Yes; that is correct.

I do wish the chairman of the committee would consider withholding his point of order against this amendment because I believe the proposal here might prove far more satisfactory to himself and the chairman of the Senate committee than would the Carlson amendment which is pending in the Senate bill. Therefore, while I recognize I am in the odd position of speaking for an amendment that may never come to a vote, I have taken this time to inform the House of the existence of this attempt to provide ourselves with information that in the future would prevent the confusion and controversy that has been occasioned here the last couple of days and which will be occasioned when the conference report comes back. I hoped that the chairman of our commit-



tee might withhold his point of order and let this amendment be adopted, so that at least this phase of the proposal could be compared with the Carlson phase and settled in conference.

The CHAIRMAN. Does the gentleman from Tennessee insist upon his point of order?

Mr. MURRAY of Tennessee. I do, Mr. Chairman.

The CHAIRMAN (Mr. KILDAY). The committee has before it a bill to readjust postal rates. The gentleman from Pennsylvania [Mr. CORBETT] has offered an amendment which would direct the chairman of the Committee of the House on the Post Office and Civil Service and of the Committee of the Senate on Post Office and Civil Service to employ not less than five individuals. The amendment goes further, and also fixes the salaries of persons so employed. These employees would be charged with the duty of investigating the whole operation of the Post Office Department, and make recommendations from time to time. It is evident that the Committee on the Post Office and Civil Service would not have jurisdiction of a proposal to increase the employees of the committee or to create new positions in such committee. Therefore, the amendment goes far beyond the scope of the bill, and beyond the jurisdiction of the committee reporting the bill. Therefore, the Chair sustains the point of order.

Mr. FULTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FULTON: Page 15, line 5, after the word "revoked", insert "Provided, That publications to continue eligible to acceptance for mailing as second-class matter shall file with the post office of publication and entry, or other post office where such entry is authorized, at least once in each calendar year a sworn list of names and addresses of bona fide subscribers, with date and amount of last subscription payment, and expiration date, and no subscriber shall be deemed an actual subscriber for the purpose of this act whose subscription has expired for a period of one calendar year."

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. REES of Kansas. I was under the impression at the present time the law provides almost what the gentleman proposes. Am I not correct? The law requires them to furnish a list of subscribers.

Mr. FULTON. The only thing that is required under the present law is a sworn statement of the total number of subscribers. There is no requirement of a statement of the names and addresses and dates of payment of the subscription, nor of the time of expiration. Because there has been no checking by the Post Office as to actual subscribers, it is now possible to start with some great big number, and just continue that number of subscribers as a nominal amount. I believe there are newspapers that do not have anywhere near the number of subscribers, which you might think they have according to the sworn statements. Careless publishers do not even have to bother to keep accurate records of circulation, as the post offices just send out the mail, anyhow, under

the second-class permit, whether paid or unpaid subscription lists.

I have called this situation to the attention of the Post Office authorities in Washington, and they have done nothing about it. The gentleman from Kansas is correct that the law limits the second-class permit to paid subscribers, except the 10 percent permitted as sample copies. This amendment is for the purpose of cutting the deadheads off the subscription lists after they have not paid for a period of 1 year.

Mr. REES of Kansas. You do not include those who get their newspapers through the mail, of course?

Mr. FULTON. Those excluded by my amendment are the subscribers of second-class publications where second-class mailing permits are in effect, whose subscribers have been delinquent for more than 1 calendar year; and who because of post office practice, continue to get the benefit of receiving mail under present second-class permits wrongfully. It says under this amendment that they shall not then be considered bona fide subscribers under section 2A which covers the second-class mailing permits and establishes the rates in this bill.

Mr. REES of Kansas. Would you require them to give a complete list of all the subscribers and their addresses?

Mr. FULTON. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes in order to answer some questions.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. REES of Kansas. Would you require a complete list of all the subscribers and their addresses?

Mr. FULTON. Every newspaper using a second-class permit should keep an accurate list of subscribers. Efficient papers have these subscribers on subscription lists in the subscription department, and also have a system that shows when the subscription expires. The worst burden of the second-class newspaper publishers is that they can never get the unpaid delinquents off the list. These people ride as deadheads. I have heard a Member of Congress from the State of California this afternoon say that he had been sent a paper for a period of 10 years on a second-class permit, and that he had never subscribed more than a year. He was sent a bill for \$25 for that paper. That means that there was a deadhead riding as a subscriber through the post office for that period of time. This amendment of mine simply says that newspapers shall file with the post office of entry or the post office of publication, a list of subscribers, their addresses, the date and amount of the last payment of the subscription, the expiration date, and then if they do not pay after a delinquent period of a calendar year, those subscribers shall not be included in the number of bona fide subscribers entitled to the privilege of second-class mail.

Under the act publishers are now allowed to send out only 10 percent in free so-called sample copies. This amendment helps the Post Office in saying that the publisher should supply the

information once a year, and if any subscriber is delinquent for more than one calendar year, the publisher must cut him off from his list of bona fide subscribers under the second-class permit. It also says to the second-class newspaper weekly if a man has not paid and is delinquent over a calendar year, then you do not count him as a bona fide subscriber, because after a period of delinquency of over one calendar year, certainly a subscriber does not want to take the paper.

Mr. TACKETT. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. TACKETT. Is not the gentleman asking the Congress to do something that the newspapers themselves should do if they just had the courage to do it?

Mr. FULTON. It is rather that the Post Office does not have the information supplied at the present time. I have done this: I have gone to the Washington Post Office Department and said, "I am a legitimate publisher and have second-class permits. I strictly live up to the provision that there are no deadheads going out on my subscription list. But with some second-class publications they send out the deadheads because they want the extra cheap subscription list." So the subscriber says to me, "Why should I pay for your newspaper? I can get B, C, and D papers without paying for them and have them delivered to me free." Of course, that abuse of the second-class mailing privilege under the present law is at the expense of the American taxpayers. If the law specifically makes every newspaper publisher say that he will not carry as a bona fide subscriber an individual who has not paid, and who is delinquent for more than a calendar year, I think that is the least we can expect the American taxpayer to ask for.

Mr. TACKETT. Why does the gentleman object to a newspaper giving away his newspaper if he wants to?

Mr. FULTON. The present law provides that there shall be no more than 10 percent of the weight of copies mailed to subscribers during the calendar year that are sent out as sample or free copies. There can only be 10 percent free ones, but the Post Office Department does not take any trouble to check what the free deadheads are. One of the big troubles and added expense of second-class mail is that these delinquent and unpaid people are not real subscribers. The second-class mailing permit is a privilege given by law to bona fide subscribers to newspapers and magazines. My amendment gives a bona fide subscriber a year of delinquency, but says they are not bona fide subscribers after that. After that year of delinquency the publisher would have to cut them off his second-class mailing permit list. At the present time publishers are allowed 10 percent free copies that they can send to anyone they want to as samples. But I do not think we should have more than 10 percent deadheads or free papers sent under second-class permits, which the law now actually provides.

Mr. TACKETT. Under your amendment there would be many newspapers



that would have to divulge to the public their subscribers.

Mr. FULTON. To the post office.

Mr. TACKETT. But when you give it to the Post Office Department you are giving it to the public.

Mr. FULTON. Right now you can go to any post office in this country and you cannot get them to make a check to see whether these papers are going to bona fide subscribers or not.

Here is another trouble of the weekly newspapers in this country. The ones with legitimate subscription lists have trouble because the advertisers say, "Oh, no. That is just a bunch of deadheads on your subscription list." My amendment also protects the advertiser, because it says unless this person is a paid subscriber and is not delinquent for a year, he cannot receive the newspaper under a second-class mailing permit.

Mr. WERDEL. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from California.

Mr. WERDEL. What penalty attaches to the act of being in error?

Mr. FULTON. The Post Office Department then checks, and if there are any on the publication's mailing list who are not bona fide subscribers, and who are delinquent for more than a year, the post office will simply cut those off. The same thing occurs on advertising. If a paper includes more than 75 percent advertising in at least half of the issues for the year, they are called to account by the Post Office Department.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WERDEL. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania may proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. FULTON. Mr. Chairman, I yield to the gentleman.

Mr. WERDEL. As I understand the gentleman, if the affidavit is filed then the subscription list is given together with a list of addressees.

Mr. FULTON. That is right.

Mr. WERDEL. And the Post Office Department then can check.

Mr. FULTON. That is right.

Mr. WERDEL. Is it not true that whereas the gentleman seeks to accomplish a lower cost in handling these papers the result of his amendment would be to practically double the cost if the Department makes a check?

Mr. FULTON. No; because the Department will have the figures easily available. Now they do not have the figures and they do not try to obtain them, so the law is not enforced. If the bulk of mail being sent out now to people who are not subscribers to the papers, and have not been subscribers for years, is cut out of the second-class matter mailed, and there is a tremendous bulk of this, there will be a great saving to the post office in handling. That is one of the things

that is running the cost of the Post Office up. If you can require, as you should, that these papers be sent to legitimate and bona fide subscribers it will cut down a lot of the bulk and a lot of the costs of the service.

Mr. CORBETT. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. CORBETT. I want to ask the gentleman if he does not feel that perhaps by eliminating this bulk of mail that should possibly go first or third class, instead of second, that it might result in not having to increase the rates now in effect?

Mr. FULTON. There would be a tremendous saving, as the gentleman from Pennsylvania [Mr. CORBETT] has pointed out. It would make these people who are now misusing second-class permits, go to the third-class rate, where they should go, for bulk handling of these individual pieces.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. MORANO. What would happen in the case of a person who wanted to start a new newspaper?

Mr. FULTON. I just started two new newspapers in the last year, and because of it I had to mail them under a third-class mailing permit and at third-class rates until I could qualify for second-class permits. When I can qualify I can get my second-class permit very promptly, and I should not be permitted then to abuse the privilege by violating the law in sending out many free papers above the statutory limit. I have two thriving new newspapers started within the last year. So it does not hurt the new newspaperman at all to obey the law on second-class mailing privileges and this amendment provides only the means of ready determination.

Mr. LANTAFF. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. LANTAFF. I recognize considerable merit in the gentleman's amendment, but there is one question that arises in my mind. Assuming that throughout every day of the year new subscribers would be added by a prosperous and vast American newspaper and that likewise during the year subscriptions would expire every day, would not the gentleman's amendment have the effect of requiring every newspaper in the country to file daily reports with the Post Office Department?

Mr. FULTON. No; just the opposite, because I have said that the publisher may select the time of the year that he wants to file. Under this amendment, the publisher must file once in each calendar year, and only once, but he is allowed to pick the time that best serves his purpose and best serves his own subscription list.

Mr. TACKETT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would like to preface my remarks by asking a question of the gentleman from Pennsylvania. Take the category of labor newspapers, for in-

stance: Would your amendment affect their efforts to sway public opinion by sending their papers to nonsubscribers?

Mr. FULTON. If the addressees are legitimate subscribers and can show that payment was made for the subscription, they would be subject to second-class rates just the way any other paper would be. But if you send it out under the third-class permit then you have to pay per piece and if it is under a third-class permit, that is a different question than we have here. This is protecting the subscription list of legitimate publishers, even allowing them to carry overdue subscriptions for a period of a year at the expense of the public under a second-class permit.

Mr. TACKETT. That is one of the main reasons why I am against the amendment.

Mr. WILLIAMS of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. TACKETT. I yield to the gentleman from Mississippi.

Mr. WILLIAMS of Mississippi. I would like to ask the gentleman from Pennsylvania if it is not a fact that these union newspapers are subscribed to when a man pays his union dues?

Mr. FULTON. That is correct in many cases.

Mr. TACKETT. Many businesses, labor, and service organizations publish newspapers for the benefit of their members and in an effort to sway public opinion. In an effort to influence people who are not members of the organizations responsible for the publications, these papers are sent to nonsubscribers. By virtue of this proposed amendment, these organizations could not send their publications to nonsubscribers.

Mr. FULTON. Will the gentleman explain that? I do not understand it. If the chairman of the committee will listen, I do not believe that is a correct statement at all.

Mr. TACKETT. Let me give it to you this way. The rural electric cooperatives are well known to all of us. Those cooperatives publish a newspaper for the benefit of their membership and in an effort to influence opinions of others than members of the cooperatives. To do this, they send their publications to not only their subscribing members, but to many other people. By virtue of this amendment, the rural electric cooperatives would be penalized should they send their publications to others than subscribers.

Mr. FULTON. May I ask the gentleman this: Does he want under the present act second-class mailing permits to be used for subscribers who do not pay and have not paid for many years?

Mr. TACKETT. Yes, I do; because I think newspaper publications serve a useful purpose to all readers whether they pay for the publications or receive the publications free of charge. These publications are worth just as much to the readers who are unable to pay for the papers or who receive the publications without cost, as to those who are regular subscribers. The newspaper business is doing a great job in informing and educating the people, and I do not



want to tie any strings on these opportunities.

Mr. FULTON. Would the gentleman read the act, because the act as it is now constituted is directly contrary to that.

Mr. TACKETT. You are exactly correct in your conclusions of what the act provides. I wish to frankly state that I am totally in disagreement with the act and feel that it should be amended.

Yes, the act prohibits newspapers from giving away more than a certain percentage of their publication. I do not think that it is any of the Government's business if the newspapers give away their entire circulation. This Congress is too anxious to stick its nose into the affairs of all others, to the detriment of our people in many instances.

Mr. FULTON. Then the gentleman ought to offer an amendment to amend it.

Mr. TACKETT. We should first defeat your amendment. Whether a newspaper makes money or loses money in its operations, or whether the newspaper is sold or given away should not determine the mail rate. Business associations, labor unions, rural electric cooperatives, and the like, should be able to print newspapers for the purpose of informing their membership and subscribers and attempting to influence public opinion for the same mail rate whether the papers are sold or given away. We must not thwart the democratic processes of informing and educating our people. The public can have no opinion without being advised of the pros and cons involved in the many issues confronting them daily. This amendment would greatly curtail the circulation to the public of educational and informative material. I will admit that the act prohibits newspapers from using second-class mail for free circulation of more than 10 percent of their publication. However, as I have previously stated, I am not in accord with that provision, and I would not be subject to error should I emphasize that many newspapers publishing as a service to their organizations are now failing to follow the act to the letter of the law. Every Member of this Congress is receiving hundreds of free publications that are sent as second-class mail. Those publications are sent to us in an effort to influence the Congress. We certainly need to be informed. The entire citizenship needs such information. We should not hamper these efforts.

There are many reasons why this amendment should not be adopted, but time will prohibit me from covering more than a few of them. All of us can realize how dangerous and destructive this amendment can and will be to the general public.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. TACKETT. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. If this applied to metropolitan dailies the list would be extremely long, would it not, and it would be a tremendous administrative problem for the newspapers?

Mr. TACKETT. Why, certainly.

Mr. EBERHARTER. Thousands upon thousands of names are listed.

Mr. TACKETT. There will be thousands of names to be listed by the metropolitan newspapers and by many rural newspapers, too. This amendment will require every newspaper to furnish the Post Office Department the name and address of every subscriber. Then, the Post Office Department is to spend thousands upon thousands of dollars determining whether these subscribers have paid their subscription. Let me again refer to the rural electric cooperative newspapers. In the State of Arkansas they send that newspaper to thousands of subscribers. This amendment would provide that the rural electric cooperatives within the State of Arkansas would need to furnish the Post Office Department the name and address of every subscriber. This amendment would make public the names of all subscribers to every newspaper in the United States. Then we would pay many times the proposed savings for postal inspectors to determine whether every Tom, Dick, and Harry had paid his newspaper subscription and, therefore, entitled to receive it by second-class mail.

This amendment has the further selfish purpose of assisting some newspapers that are operating solely for monetary gains from advertisements and subscriptions in their effort to put out of business all competition which is more interested in rendering a service to the public than making money. That is the prime and foremost reason for this amendment. This amendment will require the Federal Government to destroy service newspapers and remove them as competition to newspapers that have no particular interest in informing and educating the public.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. TACKETT. I yield to the gentleman from Minnesota.

Mr. MARSHALL. I thought the purpose of this bill was an attempt to save the taxpayers some money. It appears to me that this amendment would require the Post Office Department to hire more checkers to check lists and to buy more binders to put these lists in filing cabinets.

Mr. TACKETT. The gentleman is exactly right in his conclusions. If this amendment is adopted and the necessary personnel is hired by the Post Office Department to carry out and enforce the provisions of the amendment, I will guarantee you that many times more money will be spent in this method than the proposed savings will involve.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. TACKETT. I yield to the gentleman from West Virginia.

Mr. BAILEY. Does the gentleman not feel that it makes the Post Office Department a collection agency?

Mr. TACKETT. Yes; the amendment requires the Post Office Department to assist the newspapers in the collection of subscriptions. The amendment requires the Post Office Department to do just exactly what the newspapers can do without the amendment. The newspapers

can now either collect subscriptions or refuse to send the papers to the subscribers. The amendment further gives the Post Office Department the right to meddle into the affairs of every newspaper reader in the United States of America.

Mr. FULTON. Mr. Chairman, will the gentleman yield further?

Mr. TACKETT. I yield.

Mr. FULTON. If you want a copy of the subscription list of any newspaper, they will take the plates and run it off for you in a half hour.

Mr. TACKETT. That may be true in some cases, but certainly newspapers should not be forced to furnish this service. Actually, they should not be forced to engage in the business of furnishing information contrary to their established policy. Only a few days ago, I inquired into the possibilities of receiving an REA newspaper circulation list and was advised that it was against their policy to make this list public. They have the right to establish their policy, just as any other business. No person or business should be forced to make public their subscription list if it be their policy that the list should not be made public. I believe in the rights of individuals and businesses to operate in accordance with their own policies and principles without being subjected to government controls over matters that do not adversely affect the general public.

Mr. HOFFMAN of Michigan. Will the gentleman yield?

Mr. TACKETT. I yield to the gentleman from Michigan.

Mr. HOFFMAN. What right has the REA to put out a newspaper anyway?

Mr. TACKETT. They have just as much right to print a newspaper as any other business. They have just as much right to print a newspaper for the benefit of their subscribers and in an effort to sway public opinion as the woolen manufacturers, automobile dealers, furniture makers, or any other of a thousand organizations which print and distribute such publications.

Mr. MARSHALL. Mr. Chairman, if the gentleman will yield, I want to commend the gentleman for discussing the aspects he has advanced.

Mr. BENDER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, since we are discussing newspapers, I picked up the late issue of the Evening Star containing this article. Here it is:

POSTMASTERS HEAR BARKLEY DENOUNCE ENEMIES WITHIN UNITED STATES

Vice President ALBEN BARKLEY told the National Association of Postmasters in convention at Constitution Hall here today that the greatest fear which the Nation has is from the enemy within the country. He said this fear was embraced into the actions of those who would seek to destroy the confidence of the people in their Government.

My friends, who created this enemy within the Government?

Who are the enemies he refers to? Alger Hiss? The five-percenters? The mink-coaters? Those in the administration who permitted atom-bomb secrets to be lost to the Russians? The Kansas City vote frauds? The Binaggio



murder scandal? The paroling of Capone gangsters? Amerasia whitewash? Appeasement of communism? Unpreparedness in Korea?

Mr. Chairman, the list goes on and on. No wonder Americans are disgusted. But why should not the Vice President give us a bill of particulars as to what he is talking about? After only 5 years of peace, the United States went to war again in June 1950—this time in Korea. How come? Who is to blame? These questions the Vice President failed to ask the postmasters. He failed to tell them that the Truman administration is, of course, to blame—through its fumbling foreign policy. The Truman administration has lost the peace, and how did we get into this mess? By appeasing communism. The Truman administration sold out China and North Korea to the reds. General MacArthur called America's failure to support anti-Communist China "the greatest single blunder in the history of the United States."

Let me read more of the Washington Post article:

Joseph Lawler, Deputy Postmaster General, reminded the delegates they did not surrender all of their rights when they took their oaths as postmasters. "There is no law," said Mr. Lawler, "which would prevent you from making a contribution to a political party."

My friends, this is the worst kind of sham and hypocrisy. This is a negation of an act of Congress. This is a violation of the spirit of the Hatch Act. But when these gentlemen, these assistant postmasters, urge violations of the Hatch Act—and we understand that act because we passed it—you can appreciate what we have to contend with. Here is an important official of the Government, urging these people who are appointed for life and under civil service to violate the letter of the law.

Quoting the Washington Post further:

Jack Redding, Assistant Postmaster General, told the postmasters that the Republicans are using vilification, libel, slander, and downright lies in an effort to promote themselves into political power. He told the delegates that the Republicans were talking about them and asked them what they were going to do about it.

I ask the gentleman for a bill of particulars. I say the Republicans are not vocal enough in discussing these things which are happening here, in discussing the reasons for these emergencies with which we are faced, in discussing the mistakes that have been made by our leadership in these deals they made with the Soviet Union at Yalta, Potsdam, and Tehran. We should be talking more loudly about who is responsible for the condition of our country.

Here this man was talking to the faithful, all these good Democrats, in convention at Constitution Hall, these Democratic postmasters, and telling them how to violate the law. I think it is perfectly amazing that we do not reply more vocally and more constantly to the kind of thing the administration is foisting on the country.

Mr. BARKLEY talks about the enemies within the United States. They are so numerous you can find them in your

counties, in your States, and everywhere. They follow in line with the 5 percenters here in Washington. Those are the enemies, as I see it.

The reason we have wide-spread corruption in the spending of public funds in Washington is because we have these conditions in every place controlled by the Democrats. Police officers sell their retirement dates for money in Cleveland. They don't even see anything wrong with this. You know the Democrats were caught selling jobs down in Mississippi a little while ago. How many workers are there on city, county, and national payrolls, who have to kick in a part of their wages to political campaigns every 2 years, to keep their jobs? Is this right? Is this ethical? Isn't it time we ended this business?

On top of the RFC business and the Mississippi job-buying charges directed against the administration, comes another bit of shenanigans to look into.

Just how did it happen that a chap out in Salt Lake City named Walter V. Pace, a meat-market owner, managed to drop into South Carolina last November to pick up options on land which he shortly sold to our Government for hydrogen-bomb plant development at a neat profit of \$76,000? Mr. Pace says that it just "happened." The Governor of South Carolina says that he would regard it as somewhat unusual if a man in South Carolina got an option on some land in Utah the day before an announcement that an atomic bomb plant would be built.

Big question is: Did anybody in Washington or anywhere else connected with the atomic-bomb project tip Mr. Pace or some associate off to the pending announcement, and if so who did and who profited? So far, nobody has done much talking. But you cannot stop us from thinking.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Chairman, I just do this to continue the story started by the gentleman from Ohio, who has just given the Republicans a very much needed, greatly needed lecture about their indolence and their lack of inclination, perhaps, let us put it that way, to answer our political adversaries. I will not say "enemies."

The gentleman from Ohio is correct. The man to whom he refers, the Assistant Postmaster General, Mr. Lawler, is giving some pretty bad advice when he tells these postmasters to go out and take part in these campaigns and make contributions.

I say that because I recall very, very distinctly that a former Member of the House from the Fourth Congressional District of Michigan, who was a member of the now majority party, went around in the district. He was a very, very honest man, there is no question about that at all, and I am not sarcastic. I mean it. He was honest. He walked right up to the wickets in the post offices

in our district and told the postmasters that he wanted contributions for political purposes, and he got them. That was open and above board but, unfortunately for him, it just happened to be a violation of the Federal statute. Someone caused his arrest, and he was convicted and he served time. He paid the penalty. He was a good citizen in that way. He just paid the penalty for his wrongful act.

If you will follow that with these postmasters—and there are many of them here. We have all seen them, fine men and women here visiting. Some of us have been entertained by them and some of us have entertained some of those postmasters and their wives. They are fine people, and it is as the gentleman from Ohio said, a terrible thing for an Assistant Postmaster General to go down here to a great gathering and publicly advise postal employees to violate a Federal statute. It shows to what depth the morality of some people will descend, and shows the desperate need, they say, for a new code of ethics. I do not have very much faith in a code of ethics. Sometimes in some laws, they are necessary. I always remember that the Ten Commandments, we are told were written in stone so that they would never change. But we still have sin and wrong doing. But it is unfortunate, is it not, frankly, unfortunate that a member of the majority party in a position of high authority, when we are considering additional pay, or we will be tomorrow, perhaps, for postal employees, to hold out before them what he said was their duty to contribute to the party, which someone else said is responsible for their jobs?

That is going pretty, pretty far it seems to me, and I hope that the members of that party who are in Congress, and who, I know, are honest and conscientious, will remonstrate after a night of thought and get this gentleman to change his advice, because if the poor, innocent people back in my home town—I do not know what the city folks will do, but in the smaller places and in my own district, if they are led astray by that advice, they are going to be in trouble and some of them will be put in jail.

Mr. MURRAY of Tennessee. Mr. Chairman, I ask unanimous consent that all debate on the committee amendment and all amendments thereto close in 15 minutes.

Mr. CURTIS of Nebraska. I object, Mr. Chairman.

Mr. MURRAY of Tennessee. Mr. Chairman, I move that all debate on the committee amendment and all amendments thereto close in 20 minutes.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. FULTON].

The amendment was rejected.

Mr. JAVITS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS to the committee amendment: On page 26, line 8, strike out the period and insert a semicolon and the following: "Provided, however, That the rates provided for in this act shall not take effect until the restoration of delivery and other essential postal services curtailed



by the order of the Postmaster General, dated April 18, 1950."

Mr. MURRAY of Tennessee. Mr. Chairman, I make a point of order against the amendment on the ground that it is not germane to the bill. The bill says nothing about deliveries. It only applies to postal rates. It is not germane, because in 8 Cannon's Precedents, section 3037, an amendment delaying operation of the proposed legislation pending any related contingency was held not to be germane, and this relates to a very similar situation.

Mr. JAVITS. Would the gentleman reserve his point of order so that I may have a few minutes to discuss this?

Mr. MURRAY of Tennessee. Mr. Chairman, I insist upon the point of order.

Mr. JAVITS. Mr. Chairman, I desire to be heard on the point of order.

The CHAIRMAN. The Chair will be glad to hear the gentleman.

Mr. JAVITS. Mr. Chairman, the amendment which I have proposed, if adopted, becomes a part of section 14 of the act against which all points of order have been waived by the rule which the House adopted.

This section already contains specific contingencies deferring the time of the effective date of the rate specified hereunder. One of those contingencies relates to all rates in the act, making them effective three calendar months following the calendar month in which enacted. The other relates to a special provision with relation to second-class-mail rates. I am attempting to defer the time when all rates specified under the act shall become effective until certain restoration of delivery and other essential services under the act. It seems to me that is another limitation upon the date specified when the rates shall take effect, and is therefore entirely in order.

The CHAIRMAN (Mr. KILDAY). The Chair is prepared to rule. The Committee has before it a bill to adjust postal rates. The gentleman from New York [Mr. JAVITS] offers an amendment which would postpone the effective date of the provisions of the bill until the restoration of delivery or other essential postal services curtailed by previous orders of the Postmaster General. The bill affects rates only. The amendment seeks to affect the effective date of the provisions of the act by the happening of a future event.

First, the Chair desires to state with reference to the question of the rule under which the bill is being considered waiving points of order, that those points of order waived apply to the provisions in the bill alone and not to amendments offered from the floor.

The gentleman from Tennessee [Mr. MURRAY] has referred to the precedent in volume 8, Cannon's Precedents, section 3037, the syllabus of which reads:

An amendment delaying operation of the proposed legislation pending an unrelated contingency was held not to be germane.

The Chair is of the opinion that the pending amendment is not germane, and sustains the point of order.

(Mr. JAVITS asked and was given permission to revise and extend his remarks.)

Mr. HAYS of Ohio. Mr. Chairman, I offer a preferential motion which I send to the desk.

The Clerk read as follows:

Mr. HAYS of Ohio moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. CURTIS of Nebraska. Mr. Chairman, a point of order. Has that motion not been made prior this afternoon and is therefore out of order?

The CHAIRMAN. Since that time an amendment has been adopted to the bill, and the preferential motion would be in order.

Mr. CURTIS of Nebraska. A further parliamentary inquiry, Mr. Chairman. Does the time of the gentleman from Ohio come out of the 20 minutes fixed?

The CHAIRMAN. The time on this motion does not come out of the time fixed for debate on the committee amendment and amendments thereto.

The gentleman from Ohio [Mr. HAYS] is recognized for 5 minutes.

Mr. HAYS of Ohio. Mr. Chairman, I think my colleague from Ohio [Mr. BENDER] was correct when he read the article from the Star, in which he quoted Mr. Lawler as saying there was nothing in the law which would prevent a postmaster from contributing to a political campaign. But then he went on and beclouded the issue and tried to make out it was something terrible and illegal. The only think in the law is that a Member of Congress, for instance, cannot solicit a postmaster. Perhaps a postmaster cannot contribute to an individual campaign, but if he wants to contribute to his party's campaign, there is nothing in the law that will prohibit him. He can do it as a voluntary contributor, and I am sure my good friend the gentleman from Ohio [Mr. BENDER] knows that, because he is an expert on political contributions; he is county chairman of Cuyahoga County, the largest county in Ohio, and he is such a good manager and gets so many contributions that I understand they have had numerous squabbles about who was going to divide the spoils and spend the money; in fact, it has been aired by the metropolitan newspapers up there from time to time. I recall one campaign, I cannot just remember the year, but my good friend was not quite astute enough to hold on to his campaign funds, and he is a very shrewd gentleman; I want to give him credit; he is a very shrewd politician, but he was so successful in one campaign in raising funds that when the Republican convention met it turned around and took the purse away from him.

There was a fellow there by the name of Weatherhead, head of the Weatherhead Manufacturing Co., a company incidentally which was doing a lot of business with the Government, that had a lot of Government contracts and contributed to the Republican Party. They gathered together a slush fund of several thousands of dollars, hundreds of thousands, so the newspapers said; as a matter of

fact I heard stories that it went up to half a million dollars, and some people said more than that; and when my good friend, the Congressman from Ohio, got in these funds, collected them, then they, those awful scheming, avaricious Republican committeemen stepped in and took everything away from him and said "We had better spend this the way we want it spent."

Now the gentleman from Ohio [Mr. BENDER] knows who made the political contributions. I think he just sort of got befuddled and beclouded when he saw some of these postmasters up in the gallery and let his enthusiasm run away with him in trying to keep funds or potential funds away from the Democratic Party.

I would just like to say to him in conclusion I do not think he ought to be quite that close-fisted; I mean we Democrats have enough trouble getting a little bit of money to run a campaign, the way it is, and yet when you Republicans can collect thousands and thousands of dollars, when you can collect half a million dollars up in Cleveland I do not think you ought to object to a postmaster making a legal contribution if he wants to do it. In fact he could contribute to the Republicans if any postmaster were so deluded as to want to. I don't want some one to come in here and try to becloud the issue and tell the postmasters they cannot contribute to the Democratic Party.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield.

Mr. McCORMACK. As a matter of fact, instead of criticizing Mr. Lawler we ought to compliment him. We are all practical men. I have never criticized the Republican Party at any time in the matter of the raising of money. A political party needs money to pay campaign expenses. Frankly, I think it is rather small when one party attacks the other in connection with the raising of campaign expenses for the operation of the party. Mr. Lawler was frank; he did not advocate; what he told them was that they were not violating the Hatch Act if they made a voluntary contribution. No Federal employee violates the Hatch Act who makes a voluntary contribution so long as he does not make it on Federal premises. It is the Pendleton Act anyway, and not the Hatch Act. I am grateful for the frank statement of Mr. Lawler instead of being critical of him.

The gentleman from Michigan [Mr. HOFFMAN] has not criticized. While I disagree with him an awful lot, the gentleman is intellectually honest. What he does is a little gentle ribbing, not criticizing.

Mr. HAYS of Ohio. I thank the gentleman. I was not objecting; I was just commiserating with my friend from Ohio. Furthermore may I say that I do not mean to imply that the gentleman from Ohio [Mr. BENDER] had any dishonest or ulterior motives about the money he raised. He raised it. I think he should have been allowed to spend it. I do not think his own Republican committee did right in superseding him. To further illustrate my point look what a good job he did in helping raise millions



for Senator TAFT's last campaign. Ten million or so it is rumored.

Mr. BENDER. Mr. Chairman, I rise in opposition to the motion.

The CHAIRMAN. Does any member of the committee wish to be heard in opposition to the preferential motion?

Mr. MURRAY of Tennessee. Yes, Mr. Chairman, I desire to be heard in opposition; I am opposed to the motion and ask that it be voted down and that we get back to the bill.

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. In view of the fact that the gentleman from Ohio [Mr. BENDER] sought recognition and no one else was seeking recognition, was it not in order that the gentleman from Ohio be recognized?

The CHAIRMAN. The committee reported a bill. A preferential motion was offered to strike out the enacting clause which would have had the effect of killing the bill, should it be adopted. The Chair understands that the custom has been that if the committee desires to be heard in opposition to a preferential motion which would have the effect of killing the bill under consideration that the committee is entitled to such recognition. The Chair so holds.

Mr. HALLECK. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. Mr. Chairman, in view of the fact that no member of the committee was on his feet seeking recognition and the gentleman from Ohio was seeking recognition, I would assume that the gentleman from Ohio would be against the motion that was made.

The CHAIRMAN. The Chair is perfectly willing to recognize the gentleman from Ohio for the portion of the 5 minutes remaining, if there is no objection, in view of the fact that the committee did not consume all of that time. The gentleman from Ohio [Mr. BENDER] is recognized.

Mr. BENDER. Mr. Chairman, I regret that my colleague from Ohio is still chasing butterflies. I have been Republican County chairman in Cuyahoga County, Cleveland, Ohio, ever since 1936 and I have nothing to apologize for. I have nothing to be ashamed of in my official life. I have made mistakes and publicly I have acknowledged them.

Mr. Chairman, may I also say that I have been elected a Member of the Congress six times, still holding the job of County Chairman of Cuyahoga, the fifth largest county in the country. It is true that the Republican Party receives campaign contributions, but they are contributions given by individuals, not by corporations, not from civil-service employees or by bludgeoning Federal employees and contractors doing business with the Government. We do not use Federal money, the taxpayers' money, for the purpose of campaigning, as is done by the majority party. The money that is spent on the Republican side is but a drop in the bucket when compared with the tremendous funds that are ex-

pended by the party that is now in power—taxpayers' money for campaign purposes.

Thousands of agents of the present administration are constantly playing politics. Observe the 30,000 political publicity agents on the Federal payroll. We Republicans have a terrific job telling our story about what is going on in the administration. I say to you that what we in the Republican Party spend is peanuts compared to the taxpayers' money that is wasted in every campaign by the present administration in its propaganda efforts by radio, by television, and by all of the other vehicles used to influence public opinion.

Observe the Mississippi deal. Your own Democratic colleagues will show you where the courts have ruled that it is a violation of the Hatch Act to advise postmasters to contribute to campaign funds and to be active politically. In fact, the campaign speeches that were made by these officials of the Post Office Department to civil service employees with lifetime jobs were a direct violation of the law and, as a matter of fact, they had no right to even participate in that political shindig at Constitution Hall.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Will the gentleman tell us something about what the result was in the last campaign where the gentleman handled it in the election for United States Senator? What happened there?

Mr. BENDER. It is known far and wide that Senator TAFT won the race in Ohio by 429,000 votes, in spite of all the Federal employees in and out of the State who were sent in while working on Government time to smear him. Senator TAFT was elected by the biggest vote ever received by a candidate for public office in Ohio, which shows that the American public is not for sale.

In closing, I should like to say a word. The gentleman from Ohio like many others during my political life has endeavored to heckle me because I called attention to the violation of a Federal statute. He has used the same techniques so skillfully employed by his administration in attempting to ridicule those who have the courage to rise up and criticize their shortcomings. The only reason he and his associates get away with it is because in American public life today we have become morally flabby. A great Roman Empire died because it succumbed to corruption, to indifference, to a fatty degeneration of its brain power and its human power. We in America face a similar danger today. Within the past few months a solemn warning has been pronounced against conditions in our own National Capitol. From high Government places down to the level of college athletics, there is great danger from conditions of corruption. It eats away the very foundations of our Republic. When every man and everything may be purchased for cash on the line, ideals and principles are threatened. For years, it was common knowledge throughout Europe that the news-

papers of the French Republic were "for sale" to the highest bidders. Recent French history bears strong testimony to the deterioration of French moral strength as well as to its physical decline. When the foundations of our Government crumble beneath the weight of corruption, the social organization, the economic structure and the confidence of the people are shaken. The buying and selling of political favors, the abuse of influence, the appearance of 5-percenters—these are symptoms of serious political illnesses.

The CHAIRMAN. The question is on the motion offered by the gentleman from Ohio [Mr. HAYS].

The motion was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. CORBETT].

Mr. CORBETT. Mr. Chairman, I would like to yield to the gentleman from Washington [Mr. JACKSON], who has an amendment that I desire to support.

Mr. CURTIS of Missouri. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. CURTIS of Missouri. The gentleman cannot yield time in that manner. I have an amendment at the desk, and I ask for recognition.

The CHAIRMAN. The time has been fixed, and the Chair is attempting to recognize those who were on their feet at the time. He has recognized the gentleman from Pennsylvania, who the Chair understands is now asking unanimous consent that he yield his time.

Mr. CORBETT. Mr. Chairman, I did not ask unanimous consent to yield my time. I asked consent simply that the gentleman from Washington [Mr. JACKSON] be recognized ahead of me.

The CHAIRMAN. The gentleman from Washington is not included in the list of those standing at the time debate was limited.

The Chair recognizes the gentleman from Pennsylvania [Mr. CORBETT].

Mr. CORBETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CORBETT:  
On page 17, line 12, strike out "1½ cents" and insert "1¼ cents."

On page 17, line 16, strike out "1½ cents" and insert "1¼ cents."

Mr. CORBETT. Mr. Chairman, as briefly as I can I simply want to point out that this amendment is the one which affects third-class bulk mail, which is the bulk of the direct-mail advertising. It would provide that instead of increasing the minimum rate on the bulk mail from one cent to one and a half to increase it from one cent to one and a quarter. The reason is this: Let us take a direct-mail advertising firm which does directly \$100,000 worth of postage business. We will say that company A does \$100,000 worth of direct-mail advertising through the utilization of a third-class permit. To increase the rate one-half cent would mean an increase in postage for them of \$50,000. Fifty thousand dollars could well be more than their profits would be for the year. My amendment simply provides that we



increase that company's postage bill by \$25,000, and then if we find that they can adjust to that, maybe further increases would be in order in other years. The Senate bill in this regard provides for a quarter of a cent increase next year and a quarter of a cent increase the following year. In order that we might have the whole proposition in conference, I urge the passage of this amendment to make the minimum rate one and one-quarter cents instead of one and one-half cents.

Mr. JACKSON of Washington. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield to the gentleman from Washington.

Mr. JACKSON of Washington. I wish to concur in what the gentleman has said and I think his amendment is a very reasonable one. It is a matter that should be threshed out in conference, and I hope this amendment will be adopted.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield to the gentleman from Connecticut.

Mr. MORANO. I am opposed to this amendment. The reason I am opposed to it is that there are over 100,000 postage meters in use today collecting nearly 40 percent of United States postage.

Mr. CORBETT. Then the gentleman should be opposed to increasing it to 1½ cents?

Mr. MORANO. I am not interested whether it is increased or not. I am interested in getting a unit by which the postage meters can operate. In other words, if they use a one and a quarter cent unit, these postage meters are inoperative and you cannot use them, and it is a dangerous amendment for that reason.

Mr. CORBETT. The gentleman ought to suggest an amendment then striking out all of the increases.

Mr. MORANO. I would be willing to favor such an amendment if the gentleman would offer it.

Mr. CORBETT. I cannot yield further, I am sorry.

Mr. MORANO. This is very important.

Mr. CORBETT. The gentleman is exactly right; this is a tremendously important amendment, and since we do not have full time for consideration here I hope the Committee will see fit to adopt the amendment and send it to conference where it can be worked out properly in the interests of the large number of direct mail advertisers in the United States.

Mr. MURRAY of Tennessee. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I sincerely hope the House will vote down this amendment. The amendment offered by the gentleman from Pennsylvania [Mr. CORBETT] will cost over \$16,000,000. The present deficit in third-class mail is \$133,000,000. By raising the third-class mail to 1½ cents as provided in the Committee bill you raise only \$34,000,000, so there will still, with the committee amendment adopted, be a \$100,000,000 loss in third-class mail. This is circular mail, much

of which is unsolicited and unwanted. It costs the Department nearly as much to deliver this class of mail as it does to deliver the first-class letter mail.

If you are going to make the rate on postal cards 2 cents, certainly you should make the rate on individual pieces of third-class bulk mail 1½ cents. This is a matter on which I am confident the House will support the Committee.

Mr. Chairman, I have done the best I could. I have made the best fight I could. For 10 years I have been trying to get adequate rates. It is easy enough to vote for appropriations, to vote for high salaries, but when it comes to getting a proper postal rate increase I do not seem to get anywhere as Chairman of the House Post Office and Civil Service Committee. It is a trying and unpleasant task when you endeavor to get adequate postal rate increases. I do trust that the House will stand by the Committee in fixing the minimum rate on individual bulk mail letters at 1½ cents per piece and will vote down the pending amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut [Mr. MORANO].

Mr. MORANO. Mr. Chairman, I am including in my remarks a letter and enclosure from the distinguished president of Pitney-Bowes, Inc., Stamford, Conn., in my district.

I hope the amendment offered by the gentleman from Pennsylvania is defeated. I direct the attention of the ranking members of the Committee on Post Office and Civil Service to the fact that this correspondence offers cogent reasons why the conferees on the part of the House should insist on the provisions reported by the House committee, which I hope will be adopted by the Committee of the Whole.

The letters to which I refer are as follows:

PITNEY-BOWES, INC.,  
Stamford, Conn., September 13, 1951.  
Hon. ALBERT P. MORANO,  
The House of Representatives,  
Washington, D. C.

DEAR MR. MORANO: We are informed that Senate bill 1046 has passed the Senate, carrying a rate of 1¼ cents per piece for bulk mailings of identical pieces of third-class matter for 1 year, and 1½ cents per piece thereafter, with the same rates for mailing books, catalogs of 24 (or more) pages, seeds, cuttings, bulbs, etc.

The corresponding House bill 2982 carries a rate of 1½ cents for the same type of matter, the rate now used for regular third-class mailings of books, catalogs, seeds, cuttings, etc.

If this 1¼-cent rate should become law, even for a limited period, it would cause tremendous difficulties, not only to us, but to the Post Office Department and many thousands of mailers. There are over 100,000 postage meters in use today collecting nearly 40 percent of all United States postage. None of them carry provisions for printing and registering a quarter-cent unit with the exception of a few hundred old single-denomination meters.

While we do not feel we should take any position as to what rate is justified, we do feel that we should present for consideration the results of the possible use of a fraction of a cent other than the present half-cent in postal rates. It is, however, our understanding that the Post Office Department it-

self is strongly opposed to anything less than the half-cent.

We are enclosing herewith a copy of a letter, dated September 13, 1951, which we have written to Postmaster General Jesse M. Donaldson on this subject, setting forth the situation in greater detail.

We should appreciate your taking such steps as you deem necessary to see that the Members of Congress interested in this matter are fully advised of the situation.

It would seem to us that, in time of inflation and mounting costs, the splitting of a cent into lower fractions than one-half—even for a limited period—is a retrogressive step and an unnecessary complication.

With kind regards,

Sincerely yours,

W. H. WHEELER, Jr.

SEPTEMBER 13, 1951.

The Honorable JESSE M. DONALDSON,  
Postmaster General, United States  
Post Office Department,  
Washington, D. C.

DEAR MR. DONALDSON: We are informed that Senate bill 1046 has passed the Senate, carrying a rate of 1¼ cents per piece for bulk mailings of identical pieces of third-class matter for 1 year, and 1½ cents per piece thereafter, with the same rates for mailing of books, catalogs of 24—or more—pages, seeds, cuttings, bulbs, etc. We are also informed that House bill 2982 carries a rate of 1½ cents per piece for both of these categories.

If the House bill goes through at 1½ cents per piece, there naturally will be some discussion relative to the difference in the proposed rates for the first year at a meeting of the joint committee, and a decision regarding the effective rate will be made.

While we do not take any position as to what the rate should be, we do feel that we should present for consideration the results of the possible use of a fraction of a cent other than the present one-half cent in postal rates with respect to many users of postage meters.

It is our understanding that over \$600,000,000, or over 40 percent of all postage revenue, is now being collected by means of postage meters. Postmasters in many of the larger cities also inform us that metered matter represents well over 50 percent of the total mail matter and, more important, approximately 65 percent of business mail.

While we have no way of knowing just how many postal patrons are using postage meters for third-class matter mailed in bulk, we do believe it is a sizable portion. The users of these meters probably dispatch a large percentage of the matter mailed in bulk, by reason of the fact that whoever uses this rate is usually a quantity mailer, and therefore apt to use a meter.

While it is true that such matter may be mailed under nonmetered permit, this is not favored in many quarters because of the far greater convenience of the meter and the identification of the meter stamp. As between the two methods, the use of a postage meter which permits meter stamps is, of course, the most economical for both the post office and the mailer.

No meters that we have in use—over 100,000—except a relatively small number of single-denomination meters—160—are capable of being adapted to register fractional-cent denominations lower than a half cent. We believe this is equally true of meters manufactured by other concerns who have been authorized to distribute them.

To develop such adaptability would require a very substantial amount of time and many millions of dollars of expense, and even after this, one-fourth-cent denomination meters could not be manufactured as economically as the present type of meter. We estimate that it would be



well over a year's time, providing we could secure authorization to obtain the necessary critical material, before we would be able to produce even a model meter to print and record one-fourth cent. Also, if one-fourth cent is to be used in a postage rate in the future, we calculate that it would require a minimum of 3 years' time before we could meet the full demand should such a change be permanently required.

We are attaching exhibit A, showing 30 major changes that would be necessary in the model RT meter to enable it to print and properly register a one-fourth-cent value. The same number of changes would be required in the RF line of meters, and approximately the same amount of changes and detailed work would be required in our other classes of meters with the exception of the single-denomination meters.

Models of these meters, with the changes referred to, would have to be submitted to the Bureau of Standards for approval even before we could proceed to make these changes. What delay in time this would cause we are unable to estimate.

We call your attention to this as we understand that there has been some information submitted to the Hill to the effect that the only change that would have to be made in a meter to permit the printing of the value of one-fourth cent would be a slug inserted in the meter. Whoever made this statement is, of course, correct if they are referring to single-denomination meters, but not with respect to the multi- or omnidenomination-type postage meters.

We also believe that the over-all cost to the Department of having to handle much of this mail in the interim by means of the nonmetered imprint or precanceled stamps would be a considerable factor but that, of course, is a matter which you can determine and no doubt have under consideration. It is also possible that some bulk mailers might give up the use of meters entirely until those with quarter-cent denominations were obtainable, in which case the Department would have the added expense of handling a quantity of mail of other classes now being metered which might prove to be substantial.

We believe there might be other mechanizations and routines which the handling of a quarter-cent of postage would render more expensive and difficult. It is also reasonable to assume that if a new fraction-of-a-cent rate is established, the extension of fractions-of-a-cent rate to other classes of mail matter will be encouraged.

For all of these reasons, we hope that serious consideration will be given by the Department and by Congress to the delay, mechanical problems, and costs involved before a quarter-cent denomination of postage is rendered a necessity. It would seem that, in time of inflation and mounting costs, the splitting of a cent into lower fractions than one-half, even for a limited period, is a retrogressive step and an unnecessary complication.

Sincerely yours,

W. H. WHEELER, Jr.

#### EXHIBIT A

Necessary changes in the model R class meters to print and record  $1\frac{1}{4}$  cents are as follows:

1. Added machining to base to allow for two extra movements on the drum shaft.
2. Change required in setting lever bracket.
3. Change required in the hubs of all mutilated gears.
4. Reposition mutilated gears on drum shaft.
5. Make new yoke arms.
6. Two new yoke arm links required.
7. New racks to be made inside of drum shaft.
8. Redesign cross-over gear assemblies.
9. Change transfer shaft assembly.

10. Change transfer choke shaft assembly.
  11. Change transfer compound gear.
  12. Change plate bearing for cross-over gear.
  13. Change cast bearing for cross-over gears.
  14. Change indicator plate for setting levers.
  15. Change figure wheels.
  16. Change mutilated gear aliners.
  17. Change drum shaft.
  18. Check slot-meter housing for units-setting lever.
  19. Change drive for consecutive counter.
  20. Replace or change indicator wheel.
  21. Change counter wheels.
  22. Clear base casting for units-setting lever.
  23. Clear units-setting lever to prevent interference with base lock pawl.
  24. Clear units-counter-drive gear for rack pin.
  25. Change meter lock-out plate to read  $\frac{1}{4}$  cent instead of  $\frac{1}{2}$  cent.
  26. Change mating pinion on buttress tooth cross-over.
  27. Counter intermediate gear now becomes a compound gear.
  28. Change 10-tooth counter gear to 12-tooth counter gear.
  29. New detent to be made in 12-tooth counter gear.
  30. Retime accumulation cycle.
- Although we have mentioned 30 major changes, such changes would affect approximately 200 drawings or about 20 percent of the parts in the class R meters to permit printing of  $1\frac{1}{4}$  cents.

PITNEY-BOWES, INC.

STAMFORD, CONN.

(Mr. MORANO asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. CORBETT].

The amendment was rejected.

Mr. CURTIS of Nebraska. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CURTIS of Nebraska: On page 26, line 9, insert a new section as follows:

"No mail matter of any kind shall be sent through the mails by any department or agency of the United States Government, including the legislative branch, without full payment of the postal rates provided by law for similar mail matter sent by other users."

Mr. MURRAY of Tennessee. Mr. Chairman, I make the point of order that the amendment is not germane to the bill.

The CHAIRMAN. Does the gentleman from Nebraska desire to be heard on the point of order?

Mr. CURTIS of Nebraska. Yes, Mr. Chairman.

This bill is to adjust postal rates. It deals with various classes and kinds of mail and services rendered by the Post Office Department. At the present time the Post Office Department is transporting \$80,000,000 worth of mail for the executive branch of the Government for nothing. I propose to adjust that up to the regular rates. Certainly this would be germane. If you can raise rates under this bill from a given rate to a higher rate, certainly you can rise free mail to some sort of rate.

The CHAIRMAN. The Chair is prepared to rule.

The bill before us is for the purpose of adjusting postal rates. The gentle-

man from Nebraska offers an amendment which would not adjust existing postal rates but would define classes of mail which should be subject to payment of postage. Neither of the classes included within the amendment proposed is included within the bill. The amendment is beyond the scope of the bill. Therefore, the Chair sustains the point of order.

The question is on the committee amendment as amended.

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KILDAY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 2982) to readjust postal rates, pursuant to House Resolution 315, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1046) to readjust postal rates and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.—*

#### TITLE I

##### FIRST-CLASS MAIL

SECTION 1. (a) Except as provided in subsections (b), (c), and (d), the rate of postage on all matter of the first class shall be 4 cents for the first ounce or fraction thereof and 3 cents for each additional ounce or fraction thereof.

(b) The rate of postage on drop letters when mailed for local delivery at post offices where free delivery by carrier is not established and when they are not collected or delivered by rural or star-route carrier shall be 2 cents for each ounce or fraction thereof.

(c) Except as provided in subsection (d), the rate of postage on postal cards (including the cost of their manufacture) and on private mailing or post cards conforming to the conditions prescribed by the act entitled "An act to amend the postal laws relating to the use of postal cards," approved May 19, 1898 (39 U. S. C. 281), shall be 2 cents each except that the rate on each portion of double postal cards issued and sold under the provisions of the act of March 3, 1879 (39 U. S. C. 358), shall be 2 cents.

(d) The rate of postage on all domestic air mail as defined in the act entitled "An act to fix the rate of postage on domestic



air mail, and for other purposes," approved August 14, 1946 (39 U. S. C. 462a), not exceeding 8 ounces in weight, shall, except in the case of postal cards and private mailing or post cards, be 8 cents for the first ounce or fraction thereof and 6 cents for each additional ounce or fraction thereof. The rate on postal cards and private mailing or post cards (conforming to the conditions prescribed by the act entitled "An act to amend the postal laws relating to use of postal cards," approved May 19, 1898 (39 U. S. C. 281), when sent by air mail shall be 5 cents each.

#### SECOND-CLASS MAIL

SEC. 2. (a) In the case of publications entered as second-class matter (including sample copies to the extent of 10 percent of the weight of copies mailed to subscribers during the calendar year) when mailed by the publisher thereof from the post office of publication and entry or other post office where such entry is authorized, or when mailed by news agents (registered as such under regulations prescribed by the Postmaster General) to actual subscribers thereto or to other news agents for the purpose of sale, the total postage computed at the pound rates in effect under existing law and based on the bulk weight of each mailing shall be increased by 20 percent, beginning on the first day of the second quarter beginning after the approval of this act and by an increase of 20 percent, based on the rates now in force, to take effect each year thereafter over a period of 2 years: *Provided*, That for newspapers qualified for second-class mailing privilege the rates herein provided shall be increased by 10 percent, beginning on the first day of the second quarter beginning after the approval of this act and by an increase of 10 percent, based on the rates now in force, to take effect each year thereafter over a period of 2 years: *Provided*, That publications having over 75 percent advertising in more than one-half of their issues during any 12 months' period shall not be accepted for mailing as second-class matter and their entry shall be revoked, except that for the purpose of this proviso only, a charge made solely for the publication of transportation schedules, fares, and related information shall not be construed as constituting a charge for advertising: *Provided further*, That the rate of postage on newspapers or periodicals maintained by and in the interests of religious, educational, scientific, temperance, philanthropic, agricultural, labor, veterans' or fraternal organizations or associations, or service clubs, not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual, shall be 1½ cents per pound or fraction thereof, and the increases provided by this section shall not apply to such rate: *And provided further*, That existing rates shall continue in effect with respect to any religious, educational, temperance, or scientific publication designed specifically for use in school classrooms or in religious instruction classes.

(b) The free-in-county mailing privilege and the rates of postage on copies of publications of the second class when addressed for delivery within the county in which they are published and entered as such shall be the same as authorized by existing law: *Provided further*, That copies of a publication mailed at a post office where it is entered, for delivery by letter carriers at a different post office within the delivery limits of which the headquarters or general business office of the publisher is located, shall be chargeable with postage at the rate that would be applicable if the copies were mailed at the latter office, unless postage chargeable at the pound rates from the office of mailing is higher, in which case such higher rates shall apply.

(c) In no case, except where the free-in-county mailing privilege is applicable, shall

the postage on each individually addressed copy be less than one-eighth of 1 cent.

(d) The rate of postage on copies of publications having second-class entry mailed by others than the publishers or authorized news agents, sample copies mailed by the publishers in excess of the 10 percent allowance entitled to be sent at the pound rates, and copies mailed by the publishers to persons who may not be included in the required legitimate list of subscribers, shall be 2 cents for the first 2 ounces and 1 cent for each additional 2 ounces or fraction thereof, except when the postage at the rates prescribed for fourth-class matter is lower, in which case the latter rates shall apply, computed on each individually addressed copy or package of unaddressed copies, and not on the bulk weight of the copies and packages.

#### THIRD-CLASS MAIL

SEC. 3. The rate of postage on third-class matter shall be 2 cents for the first 2 ounces or fraction thereof and 1 cent for each additional ounce or fraction thereof up to and including 8 ounces in weight, except that the rate of postage on books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants not exceeding 8 ounces in weight shall be 2 cents for the first 2 ounces or fraction thereof and 1½ cents for each additional 2 ounces or fraction thereof: *Provided*, That upon payment of a fee of \$10 for each calendar year or portion thereof and under such regulations as the Postmaster General may establish for the collections of the lawful revenue and for facilitating the handling of such matter in the mails, it shall be lawful to accept for transmission in the mails, separately addressed identical pieces of third-class matter in quantities of not less than 20 pounds, or of not less than 200 pieces, subject to pound rates of postage applicable to the entire bulk mailed at one time: *Provided further*, That the rate of postage on third-class matter mailed in bulk under the foregoing provision shall be 14 cents for each pound or fraction thereof with a minimum charge per piece of 1¼ cents, except that in the case of books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants the rate shall be 10 cents for each pound or fraction thereof with a minimum charge per piece of 1¼ cents: *Provided further*, That the minimum charge per piece of 1¼ cents specified in the foregoing proviso shall be increased to 1½ cents 1 year after the effective date of the increases in rates made by this section: *Provided further*, That pieces or packages of such size or form as to prevent ready facing and tying in bundles and requiring individual distributing throughout shall be subject to a minimum charge of 3 cents each: *And provided further*, That the rates prescribed by this section shall not apply with respect to matter mailed by religious, educational, scientific, temperance, philanthropic, agricultural, labor, veterans', or fraternal organizations or associations, or service clubs, not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual, and the existing rates shall continue to apply with respect to such matter.

#### FOURTH-CLASS MAIL

SEC. 4. (a) Sections 204 (b) and (c) of the Postal Rate Revision and Federal Employees Salary Act of 1948 are amended to read as follows:

"(b) The rate of postage on matter of the fourth class shall be as follows:

"(1) On all matter mailed at the post office from which a rural route starts, for delivery on such route, or mailed at any point on such route for delivery at any other point thereon, or at the office from which the route starts, or on any rural route starting therefrom, and on all matter mailed at a city-carrier office, or at any point within its delivery limits, for delivery by carriers from that office, or at any office for local delivery, the postage shall

be 15 cents for the first pound or fraction thereof, 2 cents for the second pound or fraction thereof, 1¼ cents for each additional pound or fraction thereof up to and including 10 pounds, and three-fourths cent for each pound or fraction thereof exceeding 10 pounds.

"(2) For delivery within the first and second zones, except as provided for in paragraph (1), and except when the distance by the shortest regular mail route from the office of origin to the office of delivery is 300 miles or more in which case the rates of postage shall be the same as for delivery within the third zone, 17 cents for the first pound or fraction thereof, 3 cents for each additional pound or fraction thereof up to and including 10 pounds, and 2¼ cents for each pound or fraction thereof exceeding 10 pounds.

"(3) For delivery within the third zone, 17 cents for the first pound or fraction thereof, 4 cents for the second pound or fraction thereof, 3½ cents for each additional pound or fraction thereof up to and including 10 pounds, and 2¾ cents for each pound or fraction thereof exceeding 10 pounds.

"(4) For delivery within the fourth zone, 18 cents for the first pound or fraction thereof, 5 cents for the second pound or fraction thereof, 4½ cents for each additional pound or fraction thereof up to and including 10 pounds, and 3½ cents for each pound or fraction thereof exceeding 10 pounds.

"(5) For delivery within the fifth zone, 19 cents for the first pound or fraction thereof, 7 cents for the second pound or fraction thereof, 6 cents for each additional pound or fraction thereof up to and including 10 pounds, and 5½ cents for each pound or fraction thereof exceeding 10 pounds.

"(6) For delivery within the sixth zone, 20 cents for the first pound or fraction thereof, 10 cents for the second pound or fraction thereof, 7½ cents for each additional pound or fraction thereof up to and including 10 pounds, and 7¼ cents for each pound or fraction thereof exceeding 10 pounds.

"(7) For delivery within the seventh zone, 21 cents for the first pound or fraction thereof, 11 cents for the second pound or fraction thereof, 10 cents for each additional pound or fraction thereof up to and including 10 pounds, and 9¼ cents for each pound or fraction thereof exceeding 10 pounds.

"(8) For delivery within the eighth zone, 22 cents for the first pound or fraction thereof, 12 cents for the second pound or fraction thereof, 11½ cents for each additional pound or fraction thereof up to and including 10 pounds, and 10¼ cents for each pound or fraction thereof exceeding 10 pounds.

"(9) On parcels measuring more than 84 inches but not more than 100 inches in length and girth combined, the minimum postage charge shall be the zone charge applicable to a 10-pound parcel.

"(c) Catalogs and similar printed advertising matter in bound form weighing more than 8 ounces but not exceeding 10 pounds shall be subject to postage rates based on the eight parcel-post zones as follows:

"(1) When mailed at the post office from which a rural route starts, for delivery on such route, or mailed at any point on such route for delivery at the office from which the route starts, or on any rural route starting therefrom, and when mailed at a city-carrier office, or at any point within its delivery limits, for delivery by carriers from that office, or at any office for local delivery, the postage shall be 8 cents for the first pounds or fraction thereof and 1 cent for each additional pound.

"(2) For delivery within the first and second zones, except as provided for in paragraph (1), and except when the distance by the shortest regular mail route from the office of origin to the office of delivery is 300 miles or more in which case the rates of post-



age shall be the same as for delivery within the third zone, 9 cents for the first pound or fraction thereof and 1½ cents for each additional pound or fraction thereof.

"(3) For delivery within the third zone, 10 cents for the first pound or fraction thereof and 2½ cents for each additional pound or fraction thereof.

"(4) For delivery within the fourth zone, 11 cents for the first pound or fraction thereof and 3 cents for each additional pound or fraction thereof.

"(5) For delivery within the fifth zone, 13 cents for the first pound or fraction thereof and 4 cents for each additional pound or fraction thereof.

"(6) For delivery within the sixth zone, 14 cents for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof.

"(7) For delivery within the seventh zone, 15 cents for the first pound or fraction thereof and 6 cents for each additional pound or fraction thereof.

"(8) For delivery within the eighth zone, 16 cents for the first pound or fraction thereof and 7 cents for each additional pound or fraction thereof."

(b) Rates of postage prescribed by subsections (b) and (c) of section 204 of such act, as amended by this act, and existing rates of postage prescribed by subsections (d) to (f), inclusive, of such section shall remain in effect until otherwise provided by the Congress.

#### SPECIAL DELIVERY

SEC. 5. Mail of any class shall be given the most expeditious handling and transportation practicable and immediate delivery at the office of address when, in addition to the regular postage, a special-delivery fee is prepaid thereon by means of special-delivery stamps or ordinary postage stamps, or in such other manner as the Postmaster General may prescribe, in accordance with the following schedule: Matter weighing not more than 2 pounds, if of the first class, 20 cents; if of any other class, 35 cents. Matter weighing more than 2 but not more than 10 pounds, if of the first class 35 cents; if of any other class, 45 cents. Matter weighing more than 10 pounds, if of the first class, 50 cents; if of any other class, 60 cents.

#### REGISTERED MAIL

SEC. 6. (a) Mail matter shall be registered on the application of the party posting the same. The registry fees, which shall be in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by this subsection, shall be as follows:

For articles having no intrinsic value and for which no indemnity is payable, 30 cents;

For registry indemnity not exceeding \$5, 40 cents;

For registry indemnity exceeding \$5 but not exceeding \$25, 55 cents;

For registry indemnity exceeding \$25 but not exceeding \$50, 65 cents;

For registry indemnity exceeding \$50 but not exceeding \$75, 75 cents;

For registry indemnity exceeding \$75 but not exceeding \$100, 85 cents;

For registry indemnity exceeding \$100 but not exceeding \$200, 95 cents;

For registry indemnity exceeding \$200 but not exceeding \$300, \$1.05;

For registry indemnity exceeding \$300 but not exceeding \$400, \$1.15;

For registry indemnity exceeding \$400 but not exceeding \$500, \$1.25;

For registry indemnity exceeding \$500 but not exceeding \$600, \$1.35;

For registry indemnity exceeding \$600 but not exceeding \$700, \$1.45;

For registry indemnity exceeding \$700 but not exceeding \$800, \$1.55;

For registry indemnity exceeding \$800 but not exceeding \$900, \$1.65;

For registry indemnity exceeding \$900 but not exceeding \$1,000, \$1.75: *Provided*, That for registered mail having a declared value in excess of \$25 a registry fee of not less than 55 cents shall be paid.

(b) For registered mail or insured mail treated as registered mail having a declared value in excess of the maximum indemnity covered by the registry or insurance fee paid there shall be charged additional fees (known as "surcharges") as follows: When the declared value exceeds the maximum indemnity covered by the registry or insurance fee paid by not more than \$50, 2 cents; by more than \$50 but not more than \$100, 3 cents; by more than \$100 but not more than \$200, 4 cents; by more than \$200 but not more than \$400, 6 cents; by more than \$400 but not more than \$600, 7 cents; by more than \$600 but not more than \$800, 8 cents; by more than \$800 but less than \$1,000, 10 cents; and if the excess of the declared value over the maximum indemnity covered by the registry or insurance fee paid is \$1,000 or more, the additional fees for each \$1,000 or part of \$1,000 on articles destined to points within the several zones applicable to fourth-class matter shall be as follows:

For local delivery or for delivery within the first zone, 12 cents;

For delivery within the second zone, 14 cents;

For delivery within the third zone, 16 cents;

For delivery within the fourth zone, 17 cents;

For delivery within the fifth or sixth zones, 18 cents;

For delivery within the seventh or eighth zones, 19 cents: *Provided*, That for registered mail or insured mail treated as registered mail of such kind or character that it may be carried at less than the maximum risk of loss in the mails, the Postmaster General may prescribe rules for determining upon what part of the declared value, in excess of the maximum indemnity covered by the registry or insurance fee paid, the additional fees shall be based.

#### RETURN RECEIPTS FOR REGISTERED MAIL

SEC. 7. Whenever the sender of any registered mail shall so request, and upon payment of a fee of 7 cents at the time of mailing or of 15 cents subsequent to the time of mailing, a receipt shall be obtained for such registered mail, showing to whom and when the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided*, that upon payment of the additional sum of 24 cents at the time of mailing of any such registered mail, a receipt shall be obtained for such registered mail, showing to whom, when, and the address where the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided further*, That no refund shall be made of fees paid for return receipts for registered mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the postal service.

#### FEES FOR INSURED MAIL

SEC. 8. The fees for insurance, which shall be in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by this section, shall be as follows: 5 cents for indemnification not exceeding \$5; 10 cents for indemnification exceeding \$5 but not exceeding \$10; 15 cents for indemnification exceeding \$10 but not exceeding \$25; 20 cents for indemnification exceeding \$25 but not exceeding \$50; 30 cents for indemnification exceeding \$50 but not exceeding \$100; 35 cents for indemnification exceeding \$100 but not exceeding \$200.

#### RETURNED RECEIPTS FOR INSURED MAIL

SEC. 9. Whenever the sender of an insured article of mail on which other than the minimum fee was paid shall so request, and upon payment of a fee of 7 cents at the time of mailing or of 15 cents subsequent to the time of mailing, a receipt shall be obtained for such insured mail, showing to whom and when the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided*, That upon payment of the additional sum of 24 cents at the time of mailing of any insured article of mail on which other than the minimum fee was paid, a receipt shall be obtained for such insured mail, showing to whom, when, and the address where the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided further*, That no refund shall be made of fees paid for return receipts for insured mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the postal service.

#### FEES FOR COLLECT-ON-DELIVERY MAIL

SEC. 10. The fees for collect-on-delivery service for sealed domestic mail matter of any class bearing postage at the first-class rate and for domestic third- and fourth-class mail matter shall, in addition to the regular postage and any other required fees, be as follows: 30 cents for collections and indemnity not exceeding \$5; 40 cents for collections and indemnity exceeding \$5 but not exceeding \$10; 60 cents for collections and indemnity exceeding \$10 but not exceeding \$25; 70 cents for collections and indemnity exceeding \$25 but not exceeding \$50; 80 cents for collections and indemnity exceeding \$50 but not exceeding \$100; 90 cents for collections and indemnity exceeding \$100 but not exceeding \$150; \$1 for collections and indemnity exceeding \$150 but not exceeding \$200.

#### REGISTERED COLLECT-ON-DELIVERY MAIL

SEC. 11. (a) The fee for collect-on-delivery service for registered sealed domestic mail of any class bearing postage at the first-class rate shall, in addition to the regular postage and any other required fees, be 80 cents for collections and indemnity not exceeding \$10; \$1.10 for collections and indemnity exceeding \$10 but not exceeding \$50; \$1.20 for collections and indemnity exceeding \$50 but not exceeding \$100; \$1.40 for collections and indemnity exceeding \$100 but not exceeding \$200. The maximum amount of charges collectible on any registered sealed domestic collect-on-delivery article shall be \$200.

(b) When indemnity in excess of \$200 is desired, the fee for such registered sealed domestic collect-on-delivery mail shall, in addition to the regular postage and any other required fees, be \$1.50 for indemnity exceeding \$200 but not exceeding \$300; \$1.60 for indemnity exceeding \$300 but not exceeding \$400; \$1.70 for indemnity exceeding \$400 but not exceeding \$500; \$1.80 for indemnity exceeding \$500 but not exceeding \$600; \$1.90 for indemnity exceeding \$600 but not exceeding \$700; \$2 for indemnity exceeding \$700 but not exceeding \$800; \$2.10 for indemnity exceeding \$800 but not exceeding \$1,000.

#### JOINT COMMITTEE ON POSTAL SERVICE

SEC. 12. (a) (1) There is hereby established a Joint Committee on the Postal Service (hereinafter referred to as the "joint committee"), to be composed of three members of the Committee on Post Office and Civil Service of the Senate, to be appointed by the President of the Senate, and three members of the Committee on Post Office and Civil Service of the House of Representatives, to be appointed by the Speaker of the House of Representatives.



(2) The joint committee shall select a chairman and vice chairman from among its members. Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as the original selection. A majority of the members of the joint committee, or any subcommittee thereof, shall constitute a quorum for the transaction of business, except that a lesser number, to be fixed by the joint committee, shall constitute a quorum for the purpose of taking sworn testimony.

(b) The joint committee, acting as a whole or by subcommittee, shall conduct a thorough study and investigation in respect of the following matters:

(1) Methods and means whereby the postal system can be developed and improved, economically and efficiently, so as to best promote social, commercial, and intellectual intercourse among the people in all parts of the United States at reasonable rates and charges.

(2) The extent, if any, to which Post Office Department expenditures, in excess of revenue, for its various services and for the handling of various classes of mail, are justified as being in the public interest; taking into consideration that the United States postal system is a service of the National Government to all the people.

(3) The costs of handling, transporting, and distributing the several classes of mail, and procedures whereby such costs can be reduced through improvements in methods and equipment.

(4) Postal rates and charges in relation to the reasonable cost of handling the several classes of mail matter and special services, with due allowances in each class for the care required, the degree of preferment, priority in handling, and economic value of the services rendered, and the public interest served thereby.

(5) The extent to which expenditures now charged to the Post Office Department for the following items should be excluded in considering costs for the several classes of mail matter and special services:

(A) expenditures for free postal services;

(B) expenditures, in excess of revenues, for international postal services;

(C) expenditures for subsidies for postal services pursuant to law or legislative policy of Congress;

(D) expenditures in excess of revenues, pursuant to the act of June 5, 1930 (39 U. S. C. 793), not enumerated in the preceding subparagraphs (1), (2), (3), or (4);

(E) expenditures for services of any character not otherwise enumerated herein which may be performed for other departments and agencies of the Government; and

(F) expenditures which may be justified only on a national welfare basis and not primarily as a business function.

(6) The allocation and apportionment of income and expense for the various classes of mail and special services in the cost ascertainment system now in use by the Post Office Department, and such changes as may be desirable to provide more useful information in the consideration of rates and charges for the various classes of mail and special services.

(7) A plan for continuous cost analysis which will enable the Congress to determine the reasonableness of such costs as compared to standards of efficiency and economy prevailing in private business enterprise.

(8) Such other matters as may be deemed pertinent and relevant to accomplish the objects and purposes of this section.

(c) (1) The joint committee shall appoint an advisory council (hereinafter referred to as the "council") to be composed of not more than 20 members, including representatives of the general public, repre-

sentative users of the mails, members of accounting and management engineering firms, postal experts, representatives of postal employee organizations, and, with special reference to rate making in their fields, representatives of public transportation and distribution organizations. Officials of the Post Office Department shall be offered appointments as members of the council. The council shall select a chairman from the group representing the general public.

(2) The function of the council shall be to assist the joint committee in the studies and investigations authorized by this section. The council shall meet at such times and places as may be authorized by the joint committee.

(3) Members of the council who may be in the executive branch of the Government shall each receive the compensation which he would have received if he were not a member of the council, plus such additional compensation, if any (notwithstanding sec. 6 of the act of May 10, 1916, as amended; 39 Stat. 582; 5 U. S. C. 58), as is necessary to make his aggregate salary \$12,500; and shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of the duties of the council. The members of the council from private life shall each receive \$50 per diem when engaged in the performance of the duties of the council, plus reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of such duties.

(d) (1) The joint committee, or any duly authorized subcommittee thereof, is authorized (A) to hold such hearings; (B) to sit and act at such places and times; (C) to require by subpoena or otherwise, the attendance of such witnesses and the production of such books, papers, and documents; (D) to administer such oaths; (E) to take such testimony; (F) to procure such printing and binding; and (G) to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not exceed 25 cents per hundred words. The provisions of sections 102 to 104, inclusive, of the Revised Statutes shall apply in the case of any failure of any witness to comply with a subpoena or to testify when summoned under authority of this section.

(2) The joint committee is authorized to appoint and fix the compensation of such personnel as it deems necessary to assist it in the performance of its functions. The joint committee may also contract for the services of accounting and management engineering firms to assist it in its functions, and employ part-time consultants, experts, and technicians at a per diem rate not in excess of \$50. Insofar as practicable, the joint committee shall employ persons familiar with the operation of the postal service, accounting practices, or problems of public transportation and distribution with special reference to rate making in those fields.

(3) The joint committee is authorized to secure directly from the Post Office Department, or from any postal field office, information, suggestions, estimates, and statistics, and the Post Office Department, or any field office, is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the joint committee upon request of the chairman or vice chairman.

(e) The joint committee shall report from time to time to the committees of the Senate and House of Representatives from which the membership of the joint committee was appointed, and shall submit its final report to the Senate and the House of Representatives not later than January 15, 1953, the results of its study and investigation together with such recommendations as to necessary legislation as it may deem advisable. Upon the submission of such final report the committee shall cease to exist.

(f) There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this section, to be disbursed by the Secretary of the Senate on vouchers signed by the chairman or vice chairman of the joint committee.

#### REPEAL OF EXISTING PROVISIONS

SEC. 13. All existing laws or portions thereof, inconsistent or in conflict with this title, are hereby amended or repealed.

#### EFFECTIVE DATE

SEC. 14. This title shall take effect on the first day of the third calendar month following the calendar month in which it is enacted, except the rates herein provided for second-class mail shall take effect on the first day of the second quarter beginning after the approval of this act.

#### TITLE II

SEC. 201. This title may be cited as the "Annual and Sick Leave Act of 1951."

#### COVERAGE AND EXEMPTIONS

SEC. 202. (a) Except as provided in subsection (b), this title shall apply to all civilian officers and employees of the United States and of the government of the District of Columbia, including officers and employees of corporations wholly owned or controlled by the United States.

(b) (1) This title shall not apply to—  
(A) teachers and librarians of the public schools of the District of Columbia;  
(B) part-time officers and employees for whom there has not been established a regular tour of duty covering at least 5 days in any administrative workweek;

(C) temporary employees engaged on construction work at hourly rates;

(D) employees of the Canal Zone Government and the Panama Canal Company when employed on the Isthmus of Panama;

(E) commissioned officers of the Public Health Service;

(F) commissioned officers of the Coast and Geodetic Survey;

(G) doctors, dentists, and nurses in the Department of Medicine and Surgery of the Veterans' Administration; and

(H) officers and employees of the Senate and House of Representatives.

(2) This title, except section 203 (g), shall not apply to alien employees who occupy positions outside the several States and the District of Columbia.

(3) Section 204 of this title shall not apply to officers and members of Metropolitan Police and the Fire Department of the District of Columbia.

#### ANNUAL LEAVE

SEC. 203. (a) Officers and employees to whom this title applies shall be entitled to annual leave with pay which shall accrue at the rate of—

(1) one-half day for each full biweekly pay period in the case of officers and employees with less than 2 years of service,

(2) three-fourths day for each full biweekly pay period (except that the rate of accrual for the last full biweekly pay period in the calendar year shall be one and one-fourth days) in the case of officers and employees with 2 but less than 15 years of service, and

(3) one day for each full biweekly pay period in the case of officers and employees with 15 years or more of service.

In determining years of service for the purposes of this subsection, there shall be included all service creditable under the provisions of section 5 of the Civil Service Retirement Act of May 29, 1930, as amended, for the purposes of an annuity under such act and the determination of the period of service rendered may be made upon the basis of an affidavit of the employee. In the case of an officer or employee who is not paid on the basis of biweekly pay periods, the leave provided by this title shall accrue at the same rate as it would accrue if such



officer or employee were paid on the basis of biweekly pay periods.

(b) Any change in the rate of accrual of leave by an officer or employee under the provisions of this subsection shall take effect as of the beginning of the pay period following the pay period, or corresponding period in the case of an officer or employee who is not paid on the basis of biweekly pay periods, in which such officer or employee completes the prescribed period of service.

(c) The leave provided for in this section, which is not used by an officer or employee, shall accumulate for use in succeeding years until it totals not to exceed 60 days at the end of the last complete biweekly pay period occurring in any calendar year.

(d) Notwithstanding the provisions of subsection (c), a maximum accumulation not to exceed 90 days at the end of the last complete biweekly pay period in any calendar year is authorized to the following categories of employees of the Federal Government, other than officers and employees in the Foreign Service of the United States under the Department of State, stationed outside the several States and the District of Columbia:

(1) Persons directly recruited or transferred from the United States by the Federal Government.

(2) Persons employed locally but (A) who were originally recruited from the United States and have been in substantially continuous employment by other Federal agencies, United States firms, interests, or organizations, international organizations in which the United States Government participates, or foreign governments, and whose conditions of employment provide for their return transportation to the United States, or (B) who were at the time of employment temporarily absent from the United States for purposes of travel or formal study and maintained residence in the United States during such temporary absence.

(3) Persons who are not normally residents of the area concerned and who are discharged from the military service of the United States to accept employment with an agency of the Federal Government.

(e) Where an officer or employee to whom the provisions of subsection (d) are applicable, or who is in the Foreign Service of the United States under the Department of State, and whose post of duty is outside the several States and the District of Columbia returns to any such State or the District of Columbia on leave, the leave granted pursuant to this act shall, under such rules and regulations as may be prescribed by the head of the department or agency, be exclusive of the time actually and necessarily occupied in going to and from his post of duty and such time as may be necessarily occupied in awaiting sailing or flight.

(f) Officers and employees in the Foreign Service of the United States under the Department of State may be granted leave of absence, without regard to any other leave provided by this title, for use in the United States, its Territories or possessions, at a rate equivalent to 1 week for each 4 months of service outside the several States and the District of Columbia. Not more than one period of leave of absence under this subsection shall be authorized in any 24-month period. Such leave may be accumulated for future use without regard to the limitation in subsection (c) but no such leave which is not used shall be made the basis for any terminal-leave or lump-sum payment.

(g) Alien employees who occupy positions outside the several States and the District of Columbia may, in the discretion of the head of the department or agency concerned, be granted leave of absence with pay not in excess of the amount allowable under this title in the case of citizen employees.

(h) The leave provided for in this section, including such leave as will accrue to any

officer or employee during the calendar year, may be granted at any time during such calendar year as the heads of the various departments and independent establishments may prescribe.

(i) Notwithstanding the provisions of subsection (a), an officer or employee shall be entitled to annual leave under this title only after having been employed currently for a continuous period of 90 days under one or more appointments without break in service. In any case in which an officer or employee completes a period of continuous employment of 90 days there shall be credited to him an amount of leave equal to the amount which, but for this subsection, would have accrued to him under subsection (a) during such period.

#### SICK LEAVE

SEC. 204. (a) Officers and employees to whom this title applies shall be entitled to sick leave with pay, which shall accrue at the rate of one-half day for each full biweekly pay period.

(b) The leave provided for in this section, which is not used by an officer or employee during the year in which it accrues, shall accumulate and be available for use in succeeding years.

(c) Not to exceed 30 days sick leave may be advanced in cases of serious disability or ailments and when required by the exigencies of the situation.

#### GENERAL PROVISIONS

SEC. 205. (a) The days of leave provided for in this title shall mean days upon which an employee would otherwise work and receive pay, and shall be exclusive of holidays and all nonworkdays established by Federal statute or by Executive or administrative order.

(b) An employee shall be considered for the purposes of this title to have been employed for a full biweekly pay period if he shall have been employed during the days within such period, exclusive of holidays and all nonworkdays established by Federal statute or by Executive or administrative order, which fall within his basic administrative workweek.

(c) Part time officers and employees, unless otherwise excepted, shall be entitled on a pro rata basis to the benefits provided by sections 203 and 204 of this title.

(d) The authorized absence of a rural carrier on Saturdays which occur within or at the beginning or end of a period of sick or annual leave of 5 or more days' duration (or 4 days' duration if a holiday falls within or at the beginning or end of the period of sick or annual leave) shall be without charge to such leave or loss of compensation. Saturdays occurring in a period of annual or sick leave taken in a smaller number of days may at the option of the carrier be charged to his accrued leave and when so charged he shall be paid for such absence.

#### REGULATIONS

SEC. 206. The Civil Service Commission is authorized to prescribe such rules and regulations as may be necessary to provide for the administration of this title.

#### REPEALS

SEC. 207. (a) The following acts or parts of acts are hereby repealed:

(1) The act entitled "An act to provide for vacations to Government employees, and for other purposes," approved March 14, 1936 (49 Stat. 1161).

(2) The act entitled "An act to standardize sick leave and extend it to all civilian employees," approved March 14, 1936 (49 Stat. 1162).

(3) Section 6 of the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the postal service; to establish uniform procedure for computing compensation; and for other purposes," ap-

proved July 6, 1945, as amended (59 Stat. 435).

(4) The paragraph under the heading "Public printing and binding" in the act entitled "An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1897, and for other purposes," approved June 11, 1896 (44 U. S. C. 45), relating to leaves of absence of employees of the Government Printing Office.

(5) The third proviso in the act of August 29, 1916 (34 U. S. C. 513).

(6) Sections 931 and 932 of the Foreign Service Act of 1946.

(7) The fifth paragraph of section 3 (c) of the act entitled "An act to consolidate the Police Court of the District of Columbia and the Municipal Court of the District of Columbia, to be known as 'the Municipal Court for the District of Columbia,' to create 'the Municipal Court of Appeals for the District of Columbia,' and for other purposes," approved April 1, 1942 (56 Stat. 192).

(8) Section 601 of the Independent Offices Appropriation Act, 1952.

(b) Section 2 of the act entitled "An act to provide for the promotion of substitute employees in the postal service, and for other purposes," approved April 15, 1947 (61 Stat. 40), is amended by striking out the words "and leave."

#### SAVING PROVISION

SEC. 208. (a) In any case in which—

(1) the amount of accumulated annual leave carried over into the calendar year 1952 by an officer or employee under provisions of law applicable to such officer or employee on December 31, 1951, is in excess of the amount allowable under the applicable provisions of section 203, or

(2) the amount of accumulated annual leave to the credit of an officer or employee who is subject to the provisions of section 203 (d) and who becomes subject to the provisions of section 203 (c) is in excess of the amount allowable under section 203 (c).

such excess shall remain to the credit of such officer or employee until used, but the use during any calendar year of an amount of leave in excess of the aggregate amount which shall have accrued during such calendar year shall automatically reduce the maximum allowable accumulation at the end of the last complete biweekly pay period in any calendar year until the accumulation of such officer or employee no longer exceeds the amount prescribed in the applicable provisions of section 203.

(b) An officer or employee heretofore subject to a system of leave administered on a calendar-day basis shall be deemed to have his credit on the effective date of this title five-sevenths day of leave chargeable as provided in section 205 (a) for each calendar day's leave to his credit on such date.

(c) No officer or employee shall be considered, by reason of the enactment of this title, to have been transferred to an agency under a different leave system within the meaning of the act entitled "An act to provide for the payment to certain Government employees for accumulated or accrued annual leave upon their separation from Government service," approved December 21, 1944 (5 U. S. C. 61d).

(d) Any person who served during the period from December 1, 1950, to January 6, 1952, as an employee in the postal service, other than a substitute rural carrier, under a temporary or indefinite appointment for not less than 90 days and who shall not have been separated from the postal service prior to January 6, 1952, shall be deemed to have earned annual leave at the rate of 15 days per year and sick leave at the rate of 10 days per year, and for such purposes shall receive credit for one-twelfth of a year for each whole calendar month he was carried on the



roll as a temporary or indefinite employee during such period.

#### EFFECTIVE DATE

SEC. 209. This title shall take effect on January 6, 1952, except that paragraph (8) of section 207 (a) shall take effect as of the date of enactment of the Independent Offices Appropriation Act, 1952.

Mr. MURRAY of Tennessee. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURRAY of Tennessee: Strike out all after the enacting clause in the bill S. 1046 and insert the provisions of H. R. 2982 as passed, as follows:

#### "FIRST-CLASS MAIL

"SECTION 1. (a) The rate of postage on each single postal card issued and sold under the provisions of section 3916 of the Revised Statutes (U. S. C., title 39, sec. 356), and on each portion of double postal cards issued and sold under the provisions of the act of March 3, 1879 (U. S. C., title 39, sec. 358), shall be 2 cents: *Provided*, That on all single and double postal cards sold in quantities of one hundred or more there shall be an additional charge of 10 percent. The rate of postage on each private mailing or post card conforming to the conditions prescribed by the act of May 19, 1898 (U. S. C., title 39, sec. 281), shall be 2 cents.

"(b) Except as provided in paragraph (a) of this section, the rate of postage on mail matter of the first class when mailed for local delivery at post offices where free delivery by carrier is not established and when the matter is not collected or delivered by rural or star route carriers, shall be 2 cents for each ounce or fraction thereof.

#### "SECOND-CLASS MAIL

"SEC. 2. (a) In the case of publications entered as second-class matter (including sample copies to the extent of 10 percent of the weight of copies mailed to subscribers during the calendar year) when mailed by the publisher thereof from the post office of publication and entry or other post office where such entry is authorized, or when mailed by news agents (registered as such under regulations prescribed by the Postmaster General) to actual subscribers thereto or to other news agents for the purpose of sale, the total postage computed at the pound rates in effect under existing law and based on the bulk weight of each mailing shall be increased by 10 percent, beginning on the first day of the second quarter beginning after the approval of this act and by an increase of 10 percent, based on the rates now in force, to take effect each year thereafter over a period of 2 years: *Provided*, That publications having over 75 percent advertising in more than one-half of their issues during any 12 months' period shall not be accepted for mailing as second-class matter and their entry shall be revoked: *Provided further*, That there shall be no change in the rate of postage on publications maintained by and in the interest of religious, educational, scientific, philanthropic, agricultural, labor, veteran, or fraternal organizations or associations, not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual: *Provided further*, That existing rates shall continue in effect with respect to any religious, educational, or scientific publication designed specifically for use in school classrooms or in religious instruction classes. The publisher of any such publication before being entitled to such rate shall furnish proof of qualification to the Postmaster General at such times and under such conditions as the Postmaster General may prescribe.

"(b) The free-in-county mailing privilege and the rates of postage on copies of publications of the second class when addressed

for delivery within the county in which they are published and entered as such shall be the same as authorized by existing law: *Provided further*, That copies of a publication mailed at a post office where it is entered, for delivery by letter carriers at a different post office within the delivery limits of which the headquarters or general business office of the publisher is located, shall be chargeable with postage at the rate that would be applicable if the copies were mailed at the latter office, unless postage chargeable at the pound rates from the office of mailing is higher, in which case such higher rates shall apply.

"(c) In no case, except where the free-in-county mailing privilege is applicable, shall the postage on each individually addressed copy be less than one-eighth of 1 cent.

"(d) The rate of postage on copies of publications having second-class entry mailed by others than the publishers or authorized news agents, sample copies mailed by the publishers in excess of the 10-percent allowance entitled to be sent at the pound rates, and copies mailed by the publishers to persons who may not be included in the required legitimate list of subscribers shall be 2 cents for the first 2 ounces and 1 cent for each additional 2 ounces or fraction thereof, except when the postage at the rates prescribed for fourth-class matter is lower, in which case the latter rates shall apply, computed on each individually addressed copy of package of unaddressed copies, and not on the bulk weight of the copies and packages.

#### "THIRD-CLASS MAIL

"SEC. 3. The rate of postage on third-class matter shall be 2 cents for the first 2 ounces or fraction thereof, and 1 cent for each additional ounce or fraction thereof up to and including 8 ounces in weight, except that the rate of postage on books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants not exceeding 8 ounces in weight shall be 2 cents for the first 2 ounces or fraction thereof and 1½ cents for each additional 2 ounces or fraction thereof: *Provided*, That upon payment of a fee of \$10 for each calendar year or portion thereof and under such regulations as the Postmaster General may establish for the collection of the lawful revenue, and for facilitating the handling of such matter in the mails, it shall be lawful to accept for transmission in the mails, separately addressed identical pieces of third-class matter in quantities of not less than 20 pounds, or of not less than 200 pieces, subject to pound rates of postage applicable to the entire bulk mailed at one time: *Provided further*, That the rate of postage on third-class matter mailed in bulk under the foregoing provision shall be 14 cents for each pound or fraction thereof with a minimum charge per piece of 1½ cents, except that in the case of books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants the rate shall be 10 cents for each pound or fraction thereof with a minimum charge per piece of 1½ cents: *And provided further*, That pieces or packages of such size or form as to prevent ready facing and tying in bundles and requiring individual distributing throughout shall be subject to a minimum charge of 5 cents each.

#### "BOOKS

"SEC. 4. The rates of postage prescribed by subsections (d) and (e) of section 204 of the Postal Rate Revision and Federal Employees Salary Act of 1948 shall remain in effect until otherwise provided by Congress.

#### "SPECIAL DELIVERY

"SEC. 5. Mail of any class shall be given the most expeditious handling and transportation practicable and immediate delivery at the office of address when, in addition to the regular postage, a special-delivery fee is prepaid thereon by means of special-delivery stamps or ordinary postage

stamps, or in such other manner as the Postmaster General may prescribe, in accordance with the following schedule: Matter weighing not more than 2 pounds, if of the first class, 23 cents; if of any other class, 35 cents. Matter weighing more than 2 but not more than 10 pounds, if of the first class, 35 cents; if of any other class, 45 cents. Matter weighing more than 10 pounds, if of the first class, 50 cents; if of any other class, 60 cents.

#### "REGISTERED MAIL

"SEC. 6 (a) Mail matter shall be registered on the application of the party posting the same. The registry fees, which shall be in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by this subsection, shall be as follows:

"For articles having no intrinsic value and for which no indemnity is payable, 30 cents; "For registry indemnity not exceeding \$5, 40 cents;

"For registry indemnity exceeding \$5 but not exceeding \$25, 55 cents;

"For registry indemnity exceeding \$25 but not exceeding \$50, 65 cents;

"For registry indemnity exceeding \$50 but not exceeding \$75, 75 cents;

"For registry indemnity exceeding \$75 but not exceeding \$100, 85 cents;

"For registry indemnity exceeding \$100 but not exceeding \$200, 95 cents;

"For registry indemnity exceeding \$200 but not exceeding \$300, \$1.05;

"For registry indemnity exceeding \$300 but not exceeding \$400, \$1.15;

"For registry indemnity exceeding \$400 but not exceeding \$500, \$1.25;

"For registry indemnity exceeding \$500 but not exceeding \$600, \$1.35;

"For registry indemnity exceeding \$600 but not exceeding \$700, \$1.45;

"For registry indemnity exceeding \$700 but not exceeding \$800, \$1.55;

"For registry indemnity exceeding \$800 but not exceeding \$900, \$1.65;

"For registry indemnity exceeding \$900 but not exceeding \$1,000, \$1.75: *Provided*, That for registered mail having a declared value in excess of \$25 a registry fee of not less than 55 cents shall be paid.

"(b) For registered mail or insured mail treated as registered mail having a declared value in excess of the maximum indemnity covered by the registry or insurance fee paid there shall be charged additional fees (known as 'surcharges') as follows: When the declared value exceeds the maximum indemnity covered by the registry or insurance fee paid by not more than \$50, 2 cents; by more than \$50 but not more than \$100, 3 cents; by more than \$100 but not more than \$200, 4 cents; by more than \$200 but not more than \$400, 6 cents; by more than \$400 but not more than \$600, 7 cents; by more than \$600 but not more than \$800, 8 cents; by more than \$800 but less than \$1,000, 10 cents; and if the excess of the declared value over the maximum indemnity covered by the registry or insurance fee paid is \$1,000 or more, the additional fees for each \$1,000 or part of \$1,000 on articles destined to points within the several zones applicable to fourth-class matter shall be as follows:

"For local delivery or for delivery within the first zone, 12 cents;

"For delivery within the second zone, 14 cents;

"For delivery within the third zone, 16 cents;

"For delivery within the fourth zone, 17 cents;

"For delivery within the fifth or sixth zones, 18 cents;

"For delivery within the seventh or eighth zones, 19 cents: *Provided*, That for registered mail or insured mail treated as registered mail of such kind or character that it may be carried at less than the maximum risk of loss in the mails, the Postmaster General



may prescribe rules for determining upon what part of the declared value in excess of the maximum indemnity covered by the registry or insurance fee paid the additional fees shall be based.

**"RETURN RECEIPTS FOR REGISTERED MAIL**

"SEC. 7. Whenever the sender of any registered mail shall so request, and upon payment of a fee of 7 cents at the time of mailing or of 15 cents subsequent to the time of mailing, a receipt shall be obtained for such registered mail, showing to whom and when the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided*, That upon payment of the additional sum of 24 cents at the time of mailing of any such registered mail, a receipt shall be obtained for such registered mail, showing to whom, when, and the address where the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided further*, That no refund shall be made of fees paid for return receipts for registered mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the postal service.

**"FEES FOR INSURED MAIL**

"SEC. 8. The fees for insurance, which shall be in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by this section, shall be as follows: 5 cents for indemnification not exceeding \$5; 10 cents for indemnification exceeding \$5 but not exceeding \$10; 15 cents for indemnification exceeding \$10 but not exceeding \$25; 20 cents for indemnification exceeding \$25 but not exceeding \$50; 30 cents for indemnification exceeding \$50 but not exceeding \$100; 35 cents for indemnification exceeding \$100 but not exceeding \$200.

**"RETURN RECEIPTS FOR INSURED MAIL**

"SEC. 9. Whenever the sender of an insured article of mail on which other than the minimum fee was paid shall so request, and upon payment of a fee of 7 cents at the time of mailing or of 15 cents subsequent to the time of mailing, a receipt shall be obtained for such insured mail, showing to whom and when the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided*, That upon payment of the additional sum of 24 cents at the time of mailing of any insured article of mail on which other than the minimum fee was paid, a receipt shall be obtained for such insured mail, showing to whom, when, and the address where the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided further*, That no refund shall be made of fees paid for return receipts for insured mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the postal service.

**"FEES FOR COLLECT-ON-DELIVERY MAIL**

"SEC. 10. The fees for collect-on-delivery service for sealed domestic mail matter of any class bearing postage at the first-class rate and for domestic third- and fourth-class mail matter shall, in addition to the regular postage and any other required fees, be as follows: 30 cents for collections and indemnity not exceeding \$5; 40 cents for collections and indemnity exceeding \$5 but not exceeding \$10; 60 cents for collections and indemnity exceeding \$10 but not exceeding \$25; 70 cents for collections and indemnity exceeding \$25 but not exceeding \$50; 80 cents for collections and indemnity exceeding \$50 but not exceeding \$100; 90 cents for collections and indemnity exceeding \$100 but not exceeding \$150; \$1 for collections and in-

demnity exceeding \$150 but not exceeding \$200.

**"REGISTERED COLLECT-ON-DELIVERY MAIL**

"SEC. 11. (a) The fee for collect-on-delivery service for registered sealed domestic mail of any class bearing postage at the first-class rate shall, in addition to the regular postage and any other required fees, be 80 cents for collections and indemnity not exceeding \$10; \$1.10 for collections and indemnity exceeding \$10 but not exceeding \$50; \$1.20 for collections and indemnity exceeding \$50 but not exceeding \$100; \$1.40 for collections and indemnity exceeding \$100 but not exceeding \$200. The maximum amount of charges collectible on any registered sealed domestic collect-on-delivery article shall be \$200.

"(b) When indemnity in excess of \$200 is desired, the fee for such registered sealed domestic collect-on-delivery mail shall, in addition to the regular postage and any other required fees, be \$1.50 for indemnity exceeding \$200 but not exceeding \$300; \$1.60 for indemnity exceeding \$300 but not exceeding \$400; \$1.70 for indemnity exceeding \$400 but not exceeding \$500; \$1.80 for indemnity exceeding \$500 but not exceeding \$600; \$1.90 for indemnity exceeding \$600 but not exceeding \$700; \$2.00 for indemnity exceeding \$700 but not exceeding \$800; \$2.10 for indemnity exceeding \$800 but not exceeding \$1,000.

"SEC. 12. (a) The Postmaster General is authorized to prescribe by regulation from time to time the fees which shall be charged by the postal service—

- "(1) for the registry of mail matter;
- "(2) for the insurance of mail matter, or other indemnification of senders thereof for articles damaged or lost;
- "(3) for securing a signed receipt upon the delivery of registered or insured mail matter and returning such receipt to sender;
- "(4) for collect-on-delivery service;
- "(5) for special-delivery service;
- "(6) for special-handling service;
- "(7) for the issuance of money orders;
- "(8) for notice to publishers of undeliverable second-class mail, for notice of change of address, and for notice to addressee or sender of undeliverable third- or fourth-class matter, or of undeliverable second-class matter mailed at the transient rate.

"(b) Regulations issued by the Postmaster General under subsection (a) shall, to the extent prescribed therein, supersede existing laws, regulations, and orders governing the fees for the services covered thereby.

"SEC. 13. All existing laws or portions thereof, inconsistent or in conflict with this act, are hereby amended or repealed.

"SEC. 14. This act shall take effect on the first day of the third calendar month following the calendar month in which it is enacted, except the rates herein provided for second-class mail shall take effect on the first day of the second quarter beginning after the approval of this act."

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

The proceedings whereby the bill (H. R. 2982) was passed were vacated, and that bill was laid on the table.

**GENERAL LEAVE TO EXTEND**

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent that all Members may have five legislative

days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee.

There was no objection.

**PROGRAM FOR TOMORROW**

(Mr. MARTIN of Massachusetts asked and was given permission to address the House for 1 minute.)

Mr. MARTIN of Massachusetts. Mr. Speaker, I would like to inquire of the majority leader as to the program for tomorrow.

Mr. McCORMACK. Mr. Speaker, tomorrow and Friday the three pay-increase bills will be in order. The first one will be H. R. 244, the pay-increase bill with reference to postal employees. The next bill will be H. R. 4255, the bill providing for reclassification of postmasters and postal supervisors. Then the bill H. R. 339, the pay-increase bill with reference to other Federal employees will be taken up.

Mr. MARTIN of Massachusetts. I understand that we will take up the bills one after the other, as each is completed.

Mr. McCORMACK. Yes; that will be the order in which the bills will be considered. First, the postal-employees bill will be considered, and second, the supervisors' bill.

Mr. MARTIN of Massachusetts. What will be the situation if we complete the consideration of the three bills on tomorrow?

Mr. McCORMACK. In that event we will adjourn over until Monday.

**AMENDING ACT OF JULY 6, 1945, SO AS TO REDUCE NUMBER OF GRADES FOR VARIOUS POSITIONS UNDER SUCH ACT**

Mr. DELANEY, from the Committee on Rules, reported the following resolution (H. Res. 419, Rept. 980) which was referred to the House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 244) to amend the act of July 6, 1945, as amended, so as to reduce the number of grades for the various positions under such act, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommend.

**AMENDING ACT OF JULY 6, 1945, SO AS TO REDUCE NUMBER OF GRADES FOR VARIOUS POSITIONS UNDER SUCH ACT AND TO ADJUST SALARIES OF OFFICERS AND EMPLOYEES OF FIELD SERVICE OF THE POST OFFICE DEPARTMENT**

Mr. MADDEN, from the Committee on Rules, reported the following privileged resolution (H. Res. 420, Rept. 981) which



was referred to the House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4255) to amend the act of July 6, 1945, as amended, so as to reduce the number of grades for the various positions under such act, to adjust the salaries of officers and employees of the field service of the Post Office Department, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

#### INCREASING RATES OF COMPENSATION OF OFFICERS AND EMPLOYEES OF FEDERAL GOVERNMENT

Mr. MITCHELL, from the Committee on Rules, reported the following privileged resolution (H. Res. 421, Rept. 982) which was referred to the House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 339) to increase the rates of compensation of officers and employees of the Federal Government, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

#### UNITY OF IRELAND

(Mr. LANE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LANE. Mr. Speaker, Ireland should be for the Irish, whole and complete, as nature intended when it created the Emerald Isle.

There is no justification whatever for a declining British Empire to cling to the beachhead in Ulster.

As long as we in the United States remain silent, we condone this wrong and become identified with the discredited policy of colonialism. In World War I, we spoke up for the right of self-determination for all peoples, but our shifting diplomacy since then has not consistently supported that principle. Guided by military expediency, we have too often tied ourselves to those outmoded regimes which rule without the consent of the governed, or have tried to shore up bankrupt empires.

In so doing, we have run counter to our own revolutionary traditions.

Small wonder that our foreign policy is meeting difficulties in countries where subject populations also strive for independence.

The pity is that we are losing the confidence and cooperation of those who should be with us in the world struggle of freedom versus tyranny.

Intent upon providing the material strength of food and weapons, we are neglecting to win the moral support of friends who will trust us and work with us.

Is there any convincing reason why the British should cling to 6 out of the 32 counties of Ireland? Try, try to think of just one good reason.

Would it be the thin fact of a conquest that took place many centuries ago? The civilized world of today regards aggression as evil.

Would it be economic, when the Republic of Ireland today supplies more food for England than it did when it was a restless and unhappy colony?

Would it be for reasons of military security when the Irish people by virtue of their faith are united in militant opposition to communism more so than the British themselves?

The case for the continuing British occupation of the six counties, is so weak that the British attempt to divert attention from it, because they cannot justify it.

The fair approach, in similar situations, is to conduct a plebiscite to determine the free will of the population on such an issue. But the British studiously avoid a democratic expression of the people's will knowing that majority opinion is against the unnatural partition of Ireland.

Britain was brought to her knees by the sacrifices she made in World War II. Her people have since endured much under an austerity program designed to promote reconstruction. It is not pleasant to remind the British Government of the great aid extended by the United States. Without such aid, it is doubtful if Britain could have recovered from the ravages of war.

We do not demand that the ancient wrong in Ireland be righted.

We know that England, even in the absence of actual war, is struggling for survival.

And yet, in spite of the burdens we must temporarily assume in order to help England and other nations from going under, we need them as allies because they share with us the fundamental faith in freedom.

At the same time we cannot afford to have our motives misunderstood by other nations whose position is presently neutral in the great struggle because we fail to speak up for freedom everywhere.

Until Ireland is united, our enemies can mock us with our own inconsistencies and damage our leadership in the eyes of other suppressed peoples who are striving for independence. They may succumb to the lure of Communist propaganda, which will be their tragedy and our loss.

Therefore, I believe that we should ask the British Government, for the

strengthening of our mutual cause, to withdraw from Ireland completely and forevermore.

If we could but read the hearts of the British people, I am sure that they, too, would agree that this is the only solution to the Irish question.

On August 15, 1951, the Committee on Foreign Affairs of the United States House of Representatives favorably reported with amendment House Resolution 82 and recommended that the resolution do pass.

That amendment reads:

Whereas the maintenance of international peace and security requires settlement of the question of the unification of Ireland and.

The original resolution continues as follows:

Whereas 26 of the 32 counties of Ireland have been successful in obtaining international recognition for the Republic of Ireland which has, as its basic law, a constitution modeled upon our own American Constitution: Now therefore, be it

*Resolved*, That it is the sense of this House of Representatives that the Republic of Ireland should embrace the entire territory of Ireland unless the clear majority of all of the people of Ireland, in a free plebiscite, determine and declare to the contrary.

Having been favorably reported out of committee and referred to the House calendar, I request that it be presented for a vote as soon as possible.

So that we may present a united front against communism, based on justice and genuine democracy, we call upon the United States, Ireland, and England to heed this appeal to conscience and unify Ireland in a friendly settlement that will serve as an inspiring example to the whole world.

#### ARAPAHO AND SHOSHONE INDIAN TRIBES, WIND RIVER RESERVATION

(Mr. D'EWART asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. D'EWART. Mr. Speaker, I am a Member of Congress who believes that credit should be given where credit is due, and that the people should be given the facts.

I am referring, in this particular instance, to publicity which has been given to enactment of a measure affecting two Indian tribes in my neighboring State of Wyoming. Specifically, I am referring to the extension recently granted Public Law 74 of the Eighty-second Congress, providing for per capita payments to members of the Arapaho and Shoshone Indian Tribes on the Wind River Reservation.

Two bills were introduced in Congress to effect this 5-year extension, one of them in the Senate and another in the House. The Senate bill, S. 950, subsequently was approved by Congress and signed by President Truman. The companion bill in the House, H. R. 4636, was introduced by my colleague, the gentleman from Wyoming, WILLIAM HENRY HARRISON. Mr. HARRISON guided his bill through a hearing by the Indian Affairs Subcommittee, of which both Mr. HARRISON and myself are members. Testimony was heard by the subcommittee from Mr. HARRISON, Indian Commissioner









S. 1107. An act for the relief of I. N. Norman;

S. 1279. An act for the relief of Davis Min Lee;

S. 1425. An act for the relief of Mrs. Okuni Kobayashi;

S. 1504. An act for the relief of Valmai Eileen Mackenzie;

S. 1562. An act for the relief of Harvey Marden; and

S. 1786. An act for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of war conditions and catastrophes of nature.

#### READJUSTMENT OF POSTAL RATES

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1046) to readjust postal rates, which was to strike out all after the enacting clause and insert:

##### FIRST-CLASS MAIL

SECTION 1. (a) The rate of postage on each single postal card issued and sold under the provisions of section 3916 of the Revised Statutes (U. S. C., title 39, sec. 356), and on each portion of double postal cards issued and sold under the provisions of the act of March 3, 1879 (U. S. C., title 39, sec. 358), shall be 2 cents: *Provided*, That on all single and double postal cards sold in quantities of 100 or more there shall be an additional charge of 10 percent. The rate of postage on each private mailing or post card conforming to the conditions prescribed by the act of May 19, 1898 (U. S. C., title 39, sec. 281), shall be 2 cents.

(b) Except as provided in paragraph (a) of this section, the rate of postage on mail matter of the first class when mailed for local delivery at post offices where free delivery by carrier is not established and when the matter is not collected or delivered by rural or star route carriers, shall be 2 cents for each ounce or fraction thereof.

##### SECOND-CLASS MAIL

SEC. 2. (a) In the case of publications entered as second-class matter (including sample copies to the extent of 10 percent of the weight of copies mailed to subscribers during the calendar year) when mailed by the publisher thereof from the post office of publication and entry or other post office where such entry is authorized, or when mailed by news agents (registered as such under regulations prescribed by the Postmaster General) to actual subscribers thereto or to other news agents for the purpose of sale, the total postage computed at the pound rates in effect under existing law and based on the bulk weight of each mailing shall be increased by 10 percent, beginning on the first day of the second quarter beginning after the approval of this act and by an increase of 10 percent, based on the rates now in force, to take effect each year thereafter over a period of 2 years: *Provided*, That publications having over 75 percent advertising in more than one-half of their issues during any 12 months' period shall not be accepted for mailing as second-class matter and their entry shall be revoked: *Provided further*, That there shall be no change in the rate of postage on publications maintained by and in the interest of religious, educational, scientific, philanthropic, agricultural, labor, veteran, or fraternal organizations or associations, not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual: *Provided further*, That existing rates shall continue in effect with respect to any religious, educational, or scientific publication designed specifically for use in school classrooms or in religious instruction classes.

The publisher of any such publication before being entitled to such rate shall furnish proof of qualification to the Postmaster General at such times and under such conditions as the Postmaster General may prescribe.

(b) The free-in-county mailing privilege and the rates of postage on copies of publications of the second class when addressed for delivery within the county in which they are published and entered as such shall be the same as authorized by existing law: *Provided further*, That copies of a publication mailed at a post office where it is entered, for delivery by letter carriers at a different post office within the delivery limits of which the headquarters or general business office of the publisher is located, shall be chargeable with postage at the rate that would be applicable if the copies were mailed at the latter office, unless postage chargeable at the pound rates from the office of mailing is higher, in which case such higher rates shall apply.

(c) In no case, except where the free-in-county mailing privilege is applicable, shall the postage on each individually addressed copy be less than one-eighth of 1 cent.

(d) The rate of postage on copies of publications having second-class entry mailed by others than the publishers or authorized news agents, sample copies mailed by the publishers in excess of the 10-percent allowance entitled to be sent at the pound rates, and copies mailed by the publishers to persons who may not be included in the required legitimate list of subscribers shall be 2 cents for the first 2 ounces and 1 cent for each additional 2 ounces or fraction thereof, except when the postage at the rates prescribed for fourth-class matter is lower, in which case the latter rates shall apply, computed on each individually addressed copy or package of unaddressed copies, and not on the bulk weight of the copies and packages.

##### THIRD-CLASS MAIL

SEC. 3. The rate of postage on third-class matter shall be 2 cents for the first 2 ounces or fraction thereof, and 1 cent for each additional ounce or fraction thereof up to and including 8 ounces in weight, except that the rate of postage on books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants not exceeding 8 ounces in weight shall be 2 cents for the first 2 ounces or fraction thereof and 1½ cents for each additional 2 ounces or fraction thereof: *Provided*, That upon payment of a fee of \$10 for each calendar year or portion thereof and under such regulations as the Postmaster General may establish for the collection of the lawful revenue and for facilitating the handling of such matter in the mails, it shall be lawful to accept for transmission in the mails, separately addressed identical pieces of third-class matter in quantities of not less than 20 pounds, or of not less than 200 pieces, subject to pound rates of postage applicable to the entire bulk mailed at one time: *Provided further*, That the rate of postage on third-class matter mailed in bulk under the foregoing provision shall be 14 cents for each pound or fraction thereof with a minimum charge per piece of 1½ cents, except that in the case of books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants the rate shall be 10 cents for each pound or fraction thereof with a minimum charge per piece of 1½ cents: *And provided further*, That pieces or packages of such size or form as to prevent ready facing and tying in bundles and requiring individual distributing throughout shall be subject to a minimum charge of 5 cents each.

##### BOOKS

SEC. 4. The rates of postage prescribed by subsections (d) and (e) of section 204 of the Postal Rate Revision and Federal Em-

ployees Salary Act of 1948 shall remain in effect until otherwise provided by Congress.

##### SPECIAL DELIVERY

SEC. 5. Mail of any class shall be given the most expeditious handling and transportation practicable and immediate delivery at the office of address when, in addition to the regular postage, a special-delivery fee is prepaid thereon by means of special-delivery stamps or ordinary postage stamps, or in such other manner as the Postmaster General may prescribe, in accordance with the following schedule: Matter weighing not more than 2 pounds, if of the first class, 23 cents; if of any other class, 35 cents. Matter weighing more than 2 but not more than 10 pounds, if of the first class, 35 cents; if of any other class, 45 cents. Matter weighing more than 10 pounds, if of the first class, 50 cents; if of any other class, 60 cents.

##### REGISTERED MAIL

SEC. 6. (a) Mail matter shall be registered on the application of the party posting the same. The registry fees, which shall be in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by this subsection, shall be as follows:

For articles having no intrinsic value and for which no indemnity is payable, 30 cents; For registry indemnity not exceeding \$5, 40 cents;

For registry indemnity exceeding \$5 but not exceeding \$25, 55 cents;

For registry indemnity exceeding \$25 but not exceeding \$50, 65 cents;

For registry indemnity exceeding \$50 but not exceeding \$75, 75 cents;

For registry indemnity exceeding \$75 but not exceeding \$100, 85 cents;

For registry indemnity exceeding \$100 but not exceeding \$200, 95 cents;

For registry indemnity exceeding \$200 but not exceeding \$300, \$1.05;

For registry indemnity exceeding \$300 but not exceeding \$400, \$1.15;

For registry indemnity exceeding \$400 but not exceeding \$500, \$1.25;

For registry indemnity exceeding \$500 but not exceeding \$600, \$1.35;

For registry indemnity exceeding \$600 but not exceeding \$700, \$1.45;

For registry indemnity exceeding \$700 but not exceeding \$800, \$1.55;

For registry indemnity exceeding \$800 but not exceeding \$900, \$1.65;

For registry indemnity exceeding \$900 but not exceeding \$1,000, \$1.75: *Provided*, That for registered mail having a declared value in excess of \$25 a registry fee of not less than 55 cents shall be paid.

(b) For registered mail or insured mail treated as registered mail having a declared value in excess of the maximum indemnity covered by the registry or insurance fee paid there shall be charged additional fees (known as "surcharges") as follows: When the declared value exceeds the maximum indemnity covered by the registry or insurance fee paid by not more than \$50, 2 cents; by more than \$50 but not more than \$100, 3 cents; by more than \$100 but not more than \$200, 4 cents; by more than \$200 but not more than \$400, 6 cents; by more than \$400 but not more than \$600, 7 cents; by more than \$600 but not more than \$800, 8 cents; by more than \$800 but less than \$1,000, 10 cents; and if the excess of the declared value over the maximum indemnity covered by the registry or insurance fee paid is \$1,000 or more, the additional fees for each \$1,000 or part of \$1,000 on articles destined to points within the several zones applicable to fourth-class matter shall be as follows:

For local delivery or for delivery within the first zone, 12 cents;

For delivery within the second zone, 14 cents;



For delivery within the third zone, 16 cents;

For delivery within the fourth zone, 17 cents;

For delivery within the fifth or sixth zones, 18 cents;

For delivery within the seventh or eighth zones, 19 cents: *Provided*, That for registered mail or insured mail treated as registered mail of such kind or character that it may be carried at less than the maximum risk of loss in the mails, the Postmaster General may prescribe rules for determining upon what part of the declared value in excess of the maximum indemnity covered by the registry or insurance fee paid the additional fees shall be based.

#### RETURN RECEIPTS FOR REGISTERED MAIL

SEC. 7. Whenever the sender of any registered mail shall so request, and upon payment of a fee of 7 cents at the time of mailing or of 15 cents subsequent to the time of mailing, a receipt shall be obtained for such registered mail, showing to whom and when the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided*, That upon payment of the additional sum of 24 cents at the time of mailing of any such registered mail, a receipt shall be obtained for such registered mail, showing to whom, when, and the address where the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided further*, That no refund shall be made of fees paid for return receipts for registered mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the postal service.

#### FEES FOR INSURED MAIL

SEC. 8. The fees for insurance, which shall be in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by this section, shall be as follows: 5 cents for indemnification not exceeding \$5; 10 cents for indemnification exceeding \$5 but not exceeding \$10; 15 cents for indemnification exceeding \$10 but not exceeding \$25; 20 cents for indemnification exceeding \$25 but not exceeding \$50; 30 cents for indemnification exceeding \$50 but not exceeding \$100; 35 cents for indemnification exceeding \$100 but not exceeding \$200.

#### RETURN RECEIPTS FOR INSURED MAIL

SEC. 9. Whenever the sender of an insured article of mail on which other than the minimum fee was paid shall so request, and upon payment of a fee of 7 cents at the time of mailing or of 15 cents subsequent to the time of mailing, a receipt shall be obtained for such insured mail, showing to whom and when the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided*, That upon payment of the additional sum of 24 cents at the time of mailing of any insured article of mail on which other than the minimum fee was paid, a receipt shall be obtained for such insured mail, showing to whom, when, and the address where the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided further*, That no refund shall be made of fees paid for return receipts for insured mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the postal service.

#### FEES FOR COLLECT-ON-DELIVERY MAIL

SEC. 10. The fees for collect-on-delivery service for sealed domestic mail matter of any class bearing postage at the first-class rate and for domestic third- and fourth-class mail matter shall, in addition to the regular postage and any other required fees, be as follows: 30 cents for collections and indemnity not exceeding \$5; 40 cents for

collections and indemnity exceeding \$5 but not exceeding \$10; 60 cents for collections and indemnity exceeding \$10 but not exceeding \$25; 70 cents for collections and indemnity exceeding \$25 but not exceeding \$50; 80 cents for collections and indemnity exceeding \$50 but not exceeding \$100; 90 cents for collections and indemnity exceeding \$100 but not exceeding \$150; \$1 for collections and indemnity exceeding \$150 but not exceeding \$200.

#### REGISTERED COLLECT-ON-DELIVERY MAIL

SEC. 11. (a) The fee for collect-on-delivery service for registered sealed domestic mail of any class bearing postage at the first-class rate shall, in addition to the regular postage and any other required fees, be 80 cents for collections and indemnity not exceeding \$10; \$1.10 for collections and indemnity exceeding \$10 but not exceeding \$50; \$1.20 for collections and indemnity exceeding \$50 but not exceeding \$100; \$1.40 for collections and indemnity exceeding \$100 but not exceeding \$200. The maximum amount of charges collectible on any registered sealed domestic collect-on-delivery article shall be \$200.

(b) When indemnity in excess of \$200 is desired, the fee for such registered sealed domestic collect-on-delivery mail shall, in addition to the regular postage and any other required fees, be \$1.50 for indemnity exceeding \$200 but not exceeding \$300; \$1.60 for indemnity exceeding \$300 but not exceeding \$400; \$1.70 for indemnity exceeding \$400 but not exceeding \$500; \$1.80 for indemnity exceeding \$500 but not exceeding \$600; \$1.90 for indemnity exceeding \$600 but not exceeding \$700; \$2 for indemnity exceeding \$700 but not exceeding \$800; \$2.10 for indemnity exceeding \$800 but not exceeding \$1,000.

SEC. 12. (a) The Postmaster General is authorized to prescribe by regulation from time to time the fees which shall be charged by the postal service—

- (1) for the registry of mail matter;
- (2) for the insurance of mail matter, or other indemnification of senders thereof for articles damaged or lost;
- (3) for securing a signed receipt upon the delivery of registered or insured mail matter and returning such receipt to sender;
- (4) for collect-on-delivery service;
- (5) for special-delivery service;
- (6) for special-handling service;
- (7) for the issuance of money orders;
- (8) for notice to publishers of undeliverable second-class mail, for notice of change of address, and for notice to addressee or sender of undeliverable third- or fourth-class matter, or of undeliverable second-class matter mailed at the transient rate.

(b) Regulations issued by the Postmaster General under subsection (a) shall, to the extent prescribed therein, supersede existing laws, regulations, and orders governing the fees for the services covered thereby.

SEC. 13. All existing laws or portions thereof, inconsistent or in conflict with this act, are hereby amended or repealed.

SEC. 14. This act shall take effect on the first day of the third calendar month following the calendar month in which it is enacted, except the rates herein provided for second-class mail shall take effect on the first day of the second quarter beginning after the approval of this act.

Mr. JOHNSTON of South Carolina. Mr. President, I move that the Senate disagree to the amendment of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. JOHNSTON of South Carolina, Mr. PASTORE, Mr. UNDERWOOD, Mr. LANGER, and Mr. CARLSON conferees on the part of the Senate.

#### REVENUE ACT OF 1951

The Senate resumed the consideration of the bill (S. 4473) to provide revenue, and for other purposes.

Mr. HUMPHREY. Mr. President, I rise to discuss the tax bill and at the same time to serve notice that I intend to join with a number of my colleagues in offering a large number of amendments which we believe will improve the bill.

I fully realize that the committee has labored long and worked very conscientiously to produce a bill of 349 pages. It held hearings for more than 10 weeks. The final product of the work, however, was not made available to the Senate until yesterday afternoon. Therefore our amendments—and I speak for several of my colleagues—and our final analysis of the bill were delayed. Consequently, the amendments will not be printed and on the desks of Senators until tomorrow.

Mr. President, I shall use this occasion to advise the Senate and the majority leadership that it is most unwise to legislate on such an important measure in the manner in which we are presently doing. The importance of the bill is unmistakable. Every taxpayer in the country knows how important it is. Yet the Members of the Senate have had less than 24 hours to study its details and draw conclusions with regard to the bill.

Mr. KERR. Mr. President, will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. KERR. I assume the Senator is aware of the fact that the committee twice a day gave out press releases over the period of the past several weeks, giving the details of what had been done during the sessions of the committee, and that that information was thus made public and has been public ever since.

Mr. HUMPHREY. I am aware of that fact. I thank the Senator from Oklahoma. I am sure he would not want to conduct his business, the work of the Senate, or his household on the basis of press releases. We are dealing with a measure which we hope will raise a substantial sum of money. It is incredible that we should find ourselves in a situation of having before us three volumes of hearings and a bill which contains more pages than any bill the Senate has had before it since the social-security bill, together with a report of 122 pages of fine print, and that we should have had less than 24 hours in which to discuss, study, and understand it.

Mr. KERR. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I submit that no matter how wise or expert a man may be it is difficult for him to understand the technical details of such a bill in a 24-hour period. I yield further to the Senator from Oklahoma.

Mr. KERR. First I wish to join the Senator from Minnesota in the expression that there is a possibility that complete reliance cannot be placed on everything that appears in the press. With that statement in mind, I say to my good friend, the Senator from Minnesota, that according to the press, the









# House of Representatives

TUESDAY, SEPTEMBER 25, 1951

The House met at 12 o'clock noon.  
The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou eternal God, our Father, in whom alone we can find help for each new day and hope for every unknown tomorrow, we rejoice that Thou art always willing to guide the erring, to heal the afflicted, to comfort the sorrowing, to strengthen the weak, and to forgive the sinful.

We pray that in these tragic and troublous days we may be more conscious of the moral and spiritual laws which Thou hast ordained, obedience to which will emancipate us from all fear and foreboding and fill our minds with peace.

We penitently confess that we are continually trying to exploit Thee and to use Thee for our own selfish ends instead of seeking to be used by Thee in the fulfillment of Thy wise and holy plans and purposes.

Grant that we may embody the spirit of our blessed Lord, that spirit of trust, of compassion, of kindness, and of love which never sought its own but the glory of God and the welfare of all mankind.

Hear us in His name. Amen.

## THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

## READJUSTMENT OF POSTAL RATES

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 1046) to readjust postal rates, with House amendment thereto, insist on the House amendment and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. MURRAY of Tennessee, RHODES, BURNSIDE, REES of Kansas, and CORBETT.

## ADJUSTMENT OF SALARIES OF OFFICERS AND EMPLOYEES OF FIELD SERVICE OF THE POST OFFICE DEPARTMENT

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 355) to adjust the salaries of postmasters, supervisors, and employees in the field service of the Post Office Department, with House amendment thereto, insist on the House amendment and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none, and appoints the following

conferees: Messrs. MURRAY of Tennessee, MORRISON, DAVIS of Georgia, REES of Kansas, and HAGEN.

## COMPENSATION OF EMPLOYEES OF FEDERAL GOVERNMENT

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 622) to increase the basic rates of compensation of certain officers and employees of the Federal Government, and for other purposes, with House amendment thereto, insist on the House amendment and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. MURRAY of Tennessee, DAVIS of Georgia, WHITAKER, REES of Kansas, and Mrs. ST. GEORGE.

## EXPORT-IMPORT BANK OF WASHINGTON

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 434, Rept. No. 1029), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2006) to increase the lending authority of Export-Import Bank of Washington and to extend the period within which the bank may make loans. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, I ask unanimous consent that the rule just filed may be considered sometime today.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. HALLECK. Mr. Speaker, reserving the right to object, and I shall not object, as I understand it this rule inadvertently was not filed yesterday. By agreeing to the unanimous-consent request we make it possible to proceed with the consideration of this measure today.

Mr. SABATH. That is correct.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

## OLE BJORN KRAFT, MINISTER FOR FOREIGN AFFAIRS OF THE GOVERNMENT OF DENMARK

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order for the Speaker at any time during the day to declare a recess for the purpose of the Members of the House receiving and meeting a distinguished visitor to our country, His Excellency Ole Bjorn Kraft, Minister for Foreign Affairs of the Government of Denmark.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

## THE LATE JOHN JOSEPH McGRATH

(Mr. ANDERSON of California asked and was given permission to address the House for 1 minute.)

Mr. ANDERSON of California. Mr. Speaker, it is with regret that I announce to the House the death of my predecessor in office, the Honorable John Joseph McGrath, a Democratic Member of the House from the Eighth District of California from 1933 to 1939. During his entire term he served in this House as a member of the Committee on Naval Affairs.

Mr. McGrath was born in Limerick, Ireland, on July 23, 1872. He died on August 24, 1951, at Mills Hospital, San Mateo, Calif. He was educated in the national schools and Christian Brothers College, Cork, Ireland. He came to the United States as a child and lived practically his entire adult life in San Mateo County.

He was employed for a number of years as a wholesale sales manager. He served as postmaster at San Mateo from 1916 to 1925. He was president of the San Mateo-Burlingame-Hillsborough Chamber of Commerce for four terms. From 1939 until his retirement he was commissioner of immigration and naturalization at San Francisco.

Mr. McGrath is survived by his widow, the former Mary Agnes Kelley; his son, Dr. John J. McGrath, of Napa, Calif.; and his two daughters, Mrs. Richard Ojeda, of Glendale, Calif., and Mrs. William Partlow, of Fresno, Calif.

I know that my colleagues who served with Mr. McGrath while he was in office join me in extending our deepest sympathy to his family.

Mr. Speaker, I ask unanimous consent that all Members who desire to do so may be permitted to extend their remarks at this point in the Record in connection with the life and services of Mr. McGrath.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.



Mr. HAVENNER. Mr. Speaker, I am sure that all of the Representatives in the House who served with Judge McGrath in the Seventy-third, Seventy-fourth, and Seventy-fifth Congresses remember him with real affection, because he was a truly lovable man. When I first came to Congress in 1937, Judge McGrath occupied an office across the hall from the one which was assigned to me in the Old House Office Building. As a new Member I was deeply appreciative of his friendliness and the many helpful suggestions which he made to me during my novitiate in the House.

Before I came to Congress I had known him and had numerous official contacts with him in the civic and governmental affairs of the peninsula of San Francisco. After his retirement from Congress in 1939 it was a great pleasure to me to be able to endorse him for appointment as commissioner of immigration and naturalization at San Francisco. He served with distinction in that office until it went out of existence in 1940.

When Judge McGrath first came to Congress he brought with him as his secretary, Capt. Victor Hunt Harding, who is now well known to all of us as Deputy Sergeant of Arms of the House.

The passing of Judge McGrath has removed from the life of northern California a bright and free spirit whose memory will have an affectionate place in the hearts of all those who knew him. His service to the State and Nation was always honorable and constructive, and those of us who were privileged to be his friends have had the measure of our happiness in life increased by the experience of having known him.

To his widow, Mrs. Mary Agnes Kelley McGrath; his son, Dr. John J. McGrath, of Napa, Calif.; his daughters, Mrs. Richard Ojeda, of Glendale; and Mrs. William Partlow, of Fresno; and to his three grandchildren, I extend my sincere sympathy.

(Mr. CELLER asked and was given permission to address the House for 1 minute.)

#### DE GASPERI'S VISIT POINTS UP NEED TO HELP ITALY

Mr. CELLER. Mr. Speaker, we were all impressed yesterday with the appearance of the Premier of Italy, Alcide de Gasperi. I do, indeed, hope that he will not go back to Italy empty-handed. If he does so, because of the impending elections there he will have mincemeat made of himself by the Communists.

He told us that 10 percent of the active or adult population of Italy were out of employment. You know and I know that more jobs are needed, that idle hands make empty bellies, and empty bellies make for communism.

Italy has been deprived of her empire, the Dodecanese Islands, Trieste, and other lands to which Italians might emigrate. Italy cannot support and control 46,000,000 souls. She is bursting at her seams with reference to surplus population. Ways and means must be found whereby she can have opportunities for her people to emigrate to various lands.

I hope that our State Department will take the initiative to help Italy in that regard.

Further, the peace treaty with Italy must be modified. We cannot make fish of one and fowl of another. We have offered soft terms to Japan. We must do the same thing to Italy, particularly since Italy is a member of the North Atlantic Treaty Organization. Onerous provisions in those treaties must indeed be modified to make her a successful and cooperative member of that North Atlantic Treaty team.

#### PASCAL NEMOTO YUTAKA

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 617) for the relief of Pascal Nemoto Yutaka.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. RANKIN. Reserving the right to object, Mr. Speaker, it seems to me it is about time we put a stop to flooding the country with foreigners in this way. I do not know about this individual case, but I will ask the gentleman from Ohio to explain it.

Mr. FEIGHAN. This particular bill is a private bill introduced by Senator KNOWLAND admitting to this country a 3-year-old infant, half Japanese and half American, who was adopted by a lieutenant and his wife in Japan.

Mr. RANKIN. Our immigration laws should not be set aside in this way. By this going beyond the quota limit and bringing in these people, this country is being literally flooded with un-American elements, a vast number of whom are today undermining and trying to wreck this Government and to destroy the American way of life.

Mr. FEIGHAN. He was adopted. He is a 3-year-old infant, half American and half Japanese.

Mr. RANKIN. They always have some kind of an excuse for going around the immigration law and bringing these people in here.

Mr. Speaker, I am going to object for the time being, until I have an opportunity to look into the case.

#### ELECTION TO COMMITTEE

Mr. DOUGHTON. Mr. Speaker, I offer a resolution (H. Res. 435) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That FRANK IKARD, of Texas, be, and he is hereby, elected a member of the standing committee of the House of Representatives on Merchant Marine and Fisheries.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### COMBAT PAY FOR INFANTRY OFFICERS

(Mr. BENNETT of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BENNETT of Florida. Mr. Speaker, we have just passed legislation raising the pay of Federal employees, including postal employees. I voted for that legislation, because I thought it was good

legislation. For quite a time now, we have had before us a very much more overdue piece of legislation which deals with combat pay for infantry soldiers. We have long had this legislation before Congress, and yet no action has been taken upon it. I, Mr. POTTER, Mr. TEAGUE, Mr. VINSON, and perhaps other Members of Congress, have introduced legislation along that line. I think that recognition of the tremendous sacrifices of the ground troops is long overdue. Members of the Armed Forces who are assigned to other duty which is considered hazardous receive extra pay ranging from \$30 to \$210 per month. Yet, statistics show that ground troops are engaged in the most hazardous duty of all. In World War II, the Infantry, which made up only one-fourth of the Army, including the air corps, suffered 70 percent of all Army casualties. As of September 19, 1951, a total of 83,257 casualties had been suffered by United States Armed Forces in the Korean war, of which 81,517 were in the Army and Marine Corps.

As to recognition in the form of awards and decorations, army combat divisions awarded 2.5 decorations per man killed in World War II while the Marine Corps awarded 2.7. The ratio of awards to men killed was higher in the rest of the services, ranging up to 40.9 awards per man killed.

With the approach of another bitter Korean winter, we are keenly conscious of the many hardships to which combat ground troops are subjected. Day after day, these men must fight in all kinds of weather conditions. They are customarily deprived of baths, warm meals, sleep in beds and the normal comforts of life.

This is not to detract in any way from the fine work done by the other branches of the service. We all appreciate what they have done and are doing. The purpose is rather to accord ground troops the recognition they deserve without in any way detracting from the fine service rendered by the other branches of the service.

The bill which I have introduced provides in part, as follows:

*Be it enacted, etc.*, That (a) each enlisted man and officer of the Armed Forces below the grade of major who is assigned to a rifle battalion and entitled to receive basic pay shall, in addition to such basic pay, be entitled to receive special combat pay at the rate of \$50 for each calendar month during any part of which such battalion actually receives hostile small-arms ground fire while engaged with the enemy, provided that he is physically present at the time of such hostile small-arms ground fire and is within range thereof. Such special combat pay shall be included in the computation of any death gratuity or benefit payable as the result of the death of such enlisted man or officer while entitled thereto.

(b) No person shall be eligible to receive the special combat pay provided by this section if he is authorized to receive any incentive or special pay pursuant to section 203, 204, or 205 of the Career Compensation Act of 1949.

I sincerely hope that Congress will soon be allowed to pass upon the merits of this legislation, or some similar bill, to show consideration for America's









## READJUSTMENT OF POSTAL RATES

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OCTOBER 18, 1951.—Ordered to be printed

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Mr. MURRAY of Tennessee, from the committee of conference,  
submitted the following

### CONFERENCE REPORT

[To accompany S. 1046]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1046) to readjust postal rates, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

#### TITLE I

##### FIRST-CLASS MAIL

*SECTION 1. (a) The rate of postage on each single postal card issued and sold under the provisions of section 3916 of the Revised Statutes (U. S. C., title 39, sec. 356), and on each portion of double postal cards issued and sold under the provisions of the Act of March 3, 1879 (U. S. C., title 39, sec. 358), shall be 2 cents: Provided, That on all single and double postal cards sold in quantities of fifty or more there shall be an additional charge of 10 per centum. The rate of postage on each private mailing or post card conforming to the conditions prescribed by the Act of May 19, 1898 (U. S. C., title 39, sec. 281), shall be 2 cents.*

*(b) Except as provided in paragraph (a) of this section, the rate of postage on mail matter of the first class when mailed for local delivery at post offices where free delivery by carrier is not established and when the matter is not collected or delivered by rural or star route carriers, shall be 2 cents for each ounce or fraction thereof.*

## SECOND-CLASS MAIL

SEC. 2. (a) *In the case of publications entered as second-class matter (including sample copies to the extent of 10 per centum of the weight of copies mailed to subscribers during the calendar year) when mailed by the publisher thereof from the post office of publication and entry or other post office where such entry is authorized, or when mailed by news agents (registered as such under regulations prescribed by the Postmaster General) to actual subscribers thereto or to other news agents for the purpose of sale, the total postage computed at the pound rates in effect under existing law and based on the bulk weight of each mailing shall be increased (1) by 10 per centum, beginning on April 1, 1952, (2) by an additional 10 per centum, based on the rates now in force, beginning on April 1, 1953, and (3) by an additional 10 per centum, based on the rates now in force, beginning on April 1, 1954: Provided, That publications having over 75 per centum advertising in more than one-half of their issues during any twelve months' period shall not be accepted for mailing as second-class matter and their entry shall be revoked, except that for the purpose of this proviso only, a charge made solely for the publication of transportation schedules, fares, and related information shall not be construed as constituting a charge for advertising: Provided further, That the rate of postage on newspapers or periodicals maintained by and in the interests of religious, educational, scientific, philanthropic, agricultural, labor, veterans' or fraternal organizations or associations, not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual, shall be 1½ cents per pound or fraction thereof, and the increases provided by this section shall not apply to such rate: And provided further, That existing rates shall continue in effect with respect to any religious, educational, or scientific publication designed specifically for use in school classrooms or in religious instruction classes. The publisher of any such newspaper, periodical, or publication before being entitled to such rate shall furnish proof of qualification to the Postmaster General at such times and under such conditions as the Postmaster General may prescribe.*

(b) *The free-in-county mailing privilege and the rates of postage on copies of publications of the second class when addressed for delivery within the county in which they are published and entered as such shall be the same as authorized by existing law: Provided further, That copies of a publication mailed at a post office where it is entered, for delivery by letter carriers at a different post office within the delivery limits of which the headquarters or general business office of the publisher is located, shall be chargeable with postage at the rate that would be applicable if the copies were mailed at the latter office, unless postage chargeable at the pound rates from the office of mailing is higher, in which case such higher rates shall apply.*

(c) *In no case, except where the free-in-county mailing privilege is applicable, shall the postage on each individually addressed copy be less than one-eighth of 1 cent.*

(d) *The rate of postage on copies of publications having second-class entry mailed by others than the publishers or authorized news agents, sample copies mailed by the publishers in excess of the 10 per centum allowance entitled to be sent at the pound rates, and copies mailed by the publishers to persons who may not be included in the required legitimate list of subscribers, shall be 2 cents for the first two ounces and 1 cent for*



each additional two ounces or fraction thereof, except when the postage at the rates prescribed for fourth-class matter is lower, in which case the latter rates shall apply, computed on each individually addressed copy or package of unaddressed copies, and not on the bulk weight of the copies and packages.

#### THIRD-CLASS MAIL

SEC. 3. The rate of postage on third-class matter shall be 2 cents for the first two ounces or fraction thereof, and 1 cent for each additional ounce or fraction thereof up to and including eight ounces in weight, except that the rate of postage on books and catalogs, of twenty-four pages or more, seeds, cuttings, bulbs, roots, scions, and plants not exceeding eight ounces in weight shall be 2 cents for the first two ounces or fraction thereof and  $1\frac{1}{2}$  cents for each additional two ounces or fraction thereof: Provided, That upon payment of a fee of \$10 for each calendar year or portion thereof and under such regulations as the Postmaster General may establish for the collection of the lawful revenue and for facilitating the handling of such matter in the mails, it shall be lawful to accept for transmission in the mails, separately addressed identical pieces of third-class matter in quantities of not less than twenty pounds, or of not less than two hundred pieces, subject to pound rates of postage applicable to the entire bulk mailed at one time: Provided further, That the rate of postage on third-class matter mailed in bulk under the foregoing provision shall be 14 cents for each pound or fraction thereof with a minimum charge per piece of 1 cent, except that in the case of books and catalogs of twenty-four pages or more, seeds, cuttings, bulbs, roots, scions, and plants the rate shall be 10 cents for each pound or fraction thereof with a minimum charge per piece of 1 cent: Provided further, That the minimum charge per piece of 1 cent specified in the foregoing proviso shall be increased to  $1\frac{1}{2}$  cents on July 1, 1952: Provided further, That pieces or packages of such size or form as to prevent ready facing and tying in bundles and requiring individual distributing throughout shall be subject to a minimum charge of 3 cents each: And provided further, That the rates prescribed by this section shall not apply with respect to matter mailed by religious, educational, scientific, philanthropic, agricultural, labor, veterans', or fraternal organizations or associations, not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual, and the existing rates shall continue to apply with respect to such matter.

#### BOOKS

SEC. 4. The rates of postage prescribed by subsections (d) and (e) of section 204 of the Postal Rate Revision and Federal Employees Salary Act of 1948 shall remain in effect until otherwise provided by Congress.

#### SPECIAL DELIVERY

SEC. 5. Mail of any class shall be given the most expeditious handling and transportation practicable and immediate delivery at the office of address when, in addition to the regular postage, a special-delivery fee is prepaid thereon by means of special-delivery stamps or ordinary postage stamps, or in such other manner as the Postmaster General may prescribe, in accordance with the following schedule: Matter weighing not more than

two pounds, if of the first class, 20 cents; if of any other class, 35 cents. Matter weighing more than two but not more than ten pounds, if of the first class, 35 cents; if of any other class, 45 cents. Matter weighing more than ten pounds, if of the first class, 50 cents; if of any other class, 60 cents.

#### REGISTERED MAIL

SEC. 6. (a) Mail matter shall be registered on the application of the party posting the same. The registry fees, which shall be in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by this subsection, shall be as follows:

For articles having no intrinsic value and for which no indemnity is payable, 30 cents;

For registry indemnity not exceeding \$5, 40 cents;

For registry indemnity exceeding \$5 but not exceeding \$25, 55 cents;

For registry indemnity exceeding \$25 but not exceeding \$50, 65 cents;

For registry indemnity exceeding \$50 but not exceeding \$75, 75 cents;

For registry indemnity exceeding \$75 but not exceeding \$100, 85 cents;

For registry indemnity exceeding \$100 but not exceeding \$200, 95 cents;

For registry indemnity exceeding \$200 but not exceeding \$300, \$1.05;

For registry indemnity exceeding \$300 but not exceeding \$400, \$1.15;

For registry indemnity exceeding \$400 but not exceeding \$500, \$1.25;

For registry indemnity exceeding \$500 but not exceeding \$600, \$1.35;

For registry indemnity exceeding \$600 but not exceeding \$700, \$1.45;

For registry indemnity exceeding \$700 but not exceeding \$800, \$1.55;

For registry indemnity exceeding \$800 but not exceeding \$900, \$1.65;

For registry indemnity exceeding \$900 but not exceeding \$1,000, \$1.75:

Provided, That for registered mail having a declared value in excess of \$25, a registry fee of not less than 55 cents shall be paid.

(b) For registered mail or insured mail treated as registered mail having a declared value in excess of the maximum indemnity covered by the registry or insurance fee paid there shall be charged additional fees (known as "surcharges") as follows: When the declared value exceeds the maximum indemnity covered by the registry or insurance fee paid by not more than \$50, 2 cents; by more than \$50 but not more than \$100, 3 cents; by more than \$100 but not more than \$200, 4 cents; by more than \$200 but not more than \$400, 6 cents; by more than \$400 but not more than \$600, 7 cents; by more than \$600 but not more than \$800, 8 cents; by more than \$800 but less than \$1,000, 10 cents; and if the excess of the declared value over the maximum indemnity covered by the registry or insurance fee paid is \$1,000 or more, the additional fees for each \$1,000 or part of \$1,000 on articles destined to points within the several zones applicable to fourth-class matter shall be as follows:

For local delivery or for delivery within the first zone, 12 cents;

For delivery within the second zone, 14 cents;

For delivery within the third zone, 16 cents;

For delivery within the fourth zone, 17 cents;

For delivery within the fifth or sixth zones, 18 cents;

For delivery within the seventh or eighth zones, 19 cents: Provided, That for registered mail or insured mail treated as registered mail of such kind or character that it may be carried at less than the maximum risk of loss in the mails, the Postmaster General may prescribe rules for determining upon what part of the declared value in excess of the maximum indemnity covered by the registry or insurance fee paid the additional fees shall be based.



RETURN RECEIPTS FOR REGISTERED MAIL

SEC. 7. Whenever the sender of any registered mail shall so request, and upon payment of a fee of 7 cents at the time of mailing or of 15 cents subsequent to the time of mailing, a receipt shall be obtained for such registered mail, showing to whom and when the same was delivered, which receipt shall be returned to the sender, and be received in the courts as *prima facie* evidence of such delivery: Provided, That upon payment of the additional sum of 24 cents at the time of mailing of any such registered mail, a receipt shall be obtained for such registered mail, showing to whom, when, and the address where the same was delivered, which receipt shall be returned to the sender, and be received in the courts as *prima facie* evidence of such delivery: Provided further, That no refund shall be made of fees paid for return receipts for registered mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the postal service.

FEEES FOR INSURED MAIL

SEC. 8. The fees for insurance, which shall be in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by this section, shall be as follows: 5 cents for indemnification not exceeding \$5; 10 cents for indemnification exceeding \$5 but not exceeding \$10; 15 cents for indemnification exceeding \$10 but not exceeding \$25; 20 cents for indemnification exceeding \$25 but not exceeding \$50; 30 cents for indemnification exceeding \$50 but not exceeding \$100; 35 cents for indemnification exceeding \$100 but not exceeding \$200.

RETURNED RECEIPTS FOR INSURED MAIL

SEC. 9. Whenever the sender of an insured article of mail on which other than the minimum fee was paid shall so request, and upon payment of a fee of 7 cents at the time of mailing or of 15 cents subsequent to the time of mailing, a receipt shall be obtained for such insured mail, showing to whom and when the same was delivered, which receipt shall be returned to the sender, and be received in the courts as *prima facie* evidence of such delivery: Provided, That upon payment of the additional sum of 24 cents at the time of mailing of any insured article of mail on which other than the minimum fee was paid, a receipt shall be obtained for such insured mail, showing to whom, when, and the address where the same was delivered, which receipt shall be returned to the sender, and be received in the courts as *prima facie* evidence of such delivery: Provided further, That no refund shall be made of fees paid for return receipts for insured mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the postal service.

FEEES FOR COLLECT-ON-DELIVERY MAIL

SEC. 10. The fees for collect-on-delivery service for sealed domestic mail matter of any class bearing postage at the first-class rate and for domestic third- and fourth-class mail matter shall, in addition to the regular postage and any other required fees, be as follows: 30 cents for collections and indemnity not exceeding \$5; 40 cents for collections and indemnity exceeding \$5 but not exceeding \$10; 60 cents for collections and indemnity exceeding \$10 but not exceeding \$25; 70 cents for collections

and indemnity exceeding \$25 but not exceeding \$50; 80 cents for collections and indemnity exceeding \$50 but not exceeding \$100; 90 cents for collections and indemnity exceeding \$100 but not exceeding \$150; \$1 for collections and indemnity exceeding \$150 but not exceeding \$200.

#### REGISTERED COLLECT-ON-DELIVERY MAIL

SEC. 11. (a) The fee for collect-on-delivery service for registered sealed domestic mail of any class bearing postage at the first-class rate shall, in addition to the regular postage and any other required fees, be 80 cents for collections and indemnity not exceeding \$10; \$1.10 for collections and indemnity exceeding \$10 but not exceeding \$50; \$1.20 for collections and indemnity exceeding \$50 but not exceeding \$100; \$1.40 for collections and indemnity exceeding \$100 but not exceeding \$200. The maximum amount of charges collectible on any registered sealed domestic collect-on-delivery article shall be \$200.

(b) When indemnity in excess of \$200 is desired, the fee for such registered sealed domestic collect-on-delivery mail shall, in addition to the regular postage and any other required fees, be \$1.50 for indemnity exceeding \$200 but not exceeding \$300; \$1.60 for indemnity exceeding \$300 but not exceeding \$400; \$1.70 for indemnity exceeding \$400 but not exceeding \$500; \$1.80 for indemnity exceeding \$500 but not exceeding \$600; \$1.90 for indemnity exceeding \$600 but not exceeding \$700; \$2 for indemnity exceeding \$700 but not exceeding \$800; \$2.10 for indemnity exceeding \$800 but not exceeding \$1,000.

#### FEES FOR SPECIAL SERVICES

SEC. 12. (a) The Postmaster General is authorized to prescribe by regulation from time to time the fees which shall be charged by the postal service—

- (1) for the registry of mail matter;
- (2) for the insurance of mail matter, or other indemnification of senders thereof for articles damaged or lost;
- (3) for securing a signed receipt upon the delivery of registered or insured mail matter and returning such receipt to sender;
- (4) for collect-on-delivery service;
- (5) for special-delivery service;
- (6) for special-handling service;
- (7) for the issuance of money orders;
- (8) for notice to publishers of undeliverable second-class mail, for notice of change of address, and for notice to addressee or sender of undeliverable third- or fourth-class matter, or of undeliverable second-class matter mailed at the transient rate.

(b) Regulations issued by the Postmaster General under subsection (a) shall, to the extent prescribed therein, supersede existing laws, regulations, and orders governing the fees for the services covered thereby.

#### JOINT COMMITTEE ON POSTAL SERVICE

SEC. 13. (a) (1) There is hereby established a Joint Committee on the Postal Service (hereinafter referred to as the "joint committee"), to be composed of three members of the Committee on Post Office and Civil Service of the Senate, to be appointed by the President of the Senate, and three members of the Committee on Post Office and Civil Service of the House of



*Representatives, to be appointed by the Speaker of the House of Representatives.*

(2) *The chairman of the joint committee shall be the chairman of the Post Office and Civil Service Committee of the Senate, and the vice-chairman shall be the chairman of the Committee on Post Office and Civil Service of the House of Representatives. Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as the original selection. A majority of the members of the joint committee, or any subcommittee thereof, shall constitute a quorum for the transaction of business, except that a lesser number, to be fixed by the joint committee, shall constitute a quorum for the purpose of taking sworn testimony.*

(b) *The joint committee, acting as a whole or by subcommittee, shall conduct a thorough study and investigation in respect of the following matters:*

(1) *Postal rates and charges in relation to the reasonable cost of handling the several classes of mail matter and special services, with due allowances in each class for the care required, the degree of preferment, priority in handling, and economic value of the services rendered and the public interest served thereby.*

(2) *The extent to which expenditures now charged to the Post Office Department for the following items should be excluded in considering costs for the several classes of mail matter and special services:*

(A) *Expenditures for free postal services;*

(B) *Expenditures in excess of revenues for international postal services;*

(C) *Expenditures for subsidies for postal services pursuant to law or legislative policy of Congress;*

(D) *Expenditures in excess of revenues, pursuant to the Act of June 5, 1930 (39 U. S. C. 793), not enumerated in the preceding subparagraphs (A), (B), or (C);*

(E) *Expenditures for services of any character not otherwise enumerated herein which may be performed for other departments and agencies of the Government; and*

(F) *Expenditures which may be justified only on a national welfare basis and not primarily as a business function.*

(3) *Expenditures for the Post Office Department by other Government agencies which should be considered in connection with the cost for the handling of the several classes of mail matter and special services, such as employees' retirement, use of Government buildings, and maintenance services.*

(4) *The extent, if any, to which Post Office Department expenditures in excess of revenue, for its various services and for the handling of various classes of mail, are justified as being in the public interest.*

(c) (1) *The joint committee, or any duly authorized subcommittee thereof, is authorized (A) to hold such hearings; (B) to sit and act at such places and times; (C) to require, by subpoena or otherwise, the attendance of such witnesses and the production of such books, papers, and documents; (D) to administer such oaths; (E) to take such testimony; (F) to procure such printing and binding; and (G) to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not exceed 25 cents per hundred words. The provisions of*

sections 102 to 104, inclusive, of the Revised Statutes shall apply in the case of any failure of any witness to comply with a subpoena or to testify when summoned under authority of this section.

(2) The joint committee is authorized to appoint and fix the compensation of such personnel as it deems necessary to assist it in the performance of its functions. Such compensation shall not be fixed at a rate in excess of the maximum rate payable under section 202 (e) of the Legislative Reorganization Act of 1946, as amended, in the case of employees of standing committees, except that the joint committee may employ part-time consultants, experts, and technicians at a per diem rate not in excess of \$50. The joint committee may also contract for the service of accounting and management engineering firms to assist it in the performance of its functions. Insofar as practicable, the joint committee shall employ persons familiar with the operation of the postal service, accounting practices, or problems of public transportation and distribution with special reference to rate making in those fields. The chairman and vice chairman of the joint committee are authorized to assign from time to time the members of the staff of their respective committees to duties and responsibilities in connection with the operation of such joint committee.

(d) The joint committee shall report from time to time to the committees of the Senate and House of Representatives from which the membership of the joint committee was appointed, and shall submit its final report to the Senate and the House of Representatives not later than January 15, 1953, of the results of its study and investigation together with such recommendations as to necessary legislation as it may deem advisable. Upon the submission of such final report the joint committee shall cease to exist.

(e) There is hereby authorized to be appropriated not in excess of \$100,000 to carry out the purposes of this section, to be disbursed by the Secretary of the Senate on vouchers signed by the chairman and vice chairman of the joint committee.

#### REPEAL OF EXISTING PROVISIONS

SEC. 14. All existing laws or portions thereof, inconsistent or in conflict with this title, are hereby amended or repealed.

#### APPLICATION TO GUAM

SEC. 15. This Act shall have the same force and effect within Guam as within other possessions of the United States.

#### EFFECTIVE DATE

SEC. 16. This title shall take effect on the first day of the third calendar month following the calendar month in which it is enacted, except the rates herein provided for second-class mail shall take effect on the first day of the second quarter beginning after the approval of this Act.

#### TITLE II

SEC. 201. This title may be cited as the "Annual and Sick Leave Act of 1951".



COVERAGE AND EXEMPTIONS

SEC. 202. (a) *Except as provided in subsection (b), this title shall apply to all civilian officers and employees of the United States and of the government of the District of Columbia, including officers and employees of corporations wholly owned or controlled by the United States.*

(b) (1) *This title shall not apply to—*

(A) *teachers and librarians of the public schools of the District of Columbia;*

(B) *part-time officers and employees (except hourly employees in the field service of the Post Office Department) for whom there has not been established a regular tour of duty during each administrative workweek;*

(C) *temporary employees engaged on construction work at hourly rates;*

(D) *employees of the Canal Zone Government and the Panama Canal Company when employed on the Isthmus of Panama;*

(E) *commissioned officers of the Public Health Service;*

(F) *commissioned officers of the Coast and Geodetic Survey;*

(G) *doctors, dentists, and nurses in the Department of Medicine and Surgery of the Veterans' Administration;*

(H) *officers and employees of the Senate and House of Representatives; and*

(I) *officers and employees of any corporation under the supervision of the Farm Credit Administration of which corporation any member of the board of directors is elected or appointed by private interests.*

(2) *This title, except section 203 (g), shall not apply to alien employees who occupy positions outside the several States and the District of Columbia.*

(3) *Section 204 of this title shall not apply to officers and members of the Metropolitan Police and the Fire Department of the District of Columbia.*

ANNUAL LEAVE

SEC. 203. (a) *Officers and employees to whom this title applies shall be entitled to annual leave with pay which shall accrue as follows—*

(1) *one-half day for each full biweekly pay period in the case of officers and employees with less than three years of service,*

(2) *three-fourths day for each full biweekly pay period (except that the accrual for the last full biweekly pay period in the year shall be one and one-fourth days) in the case of officers and employees with three but less than fifteen years of service, and*

(3) *one day for each full biweekly pay period in the case of officers and employees with fifteen years or more of service.*

*In determining years of service for the purposes of this subsection, there shall be included all service creditable under the provisions of section 5 of the Civil Service Retirement Act of May 29, 1930, as amended, for the purposes of an annuity under such Act and the determinations of the period of service rendered may be made upon the basis of an affidavit of the employee. In the case of an officer or employee who is not paid on basis of biweekly pay periods, the leave provided by this title shall accrue on the same basis as it would accrue if such officer or employee were paid on the basis of biweekly pay periods.*

(b) Any change in the rate of accrual of annual leave by an officer or employee under the provisions of this section shall take effect as of the beginning of the pay period following the pay period, or corresponding period in the case of an officer or employee who is not paid on the basis of biweekly pay periods, in which such officer or employee completes the prescribed period of service.

(c) The annual leave provided for in this section, which is not used by an officer or employee, shall accumulate for use in succeeding years until it totals not to exceed sixty days at the end of the last complete biweekly pay period, or corresponding period in the case of an officer or employee who is not paid on the basis of biweekly pay periods, occurring in any year.

(d) Notwithstanding the provisions of subsection (c), a maximum accumulation not to exceed ninety days at the end of the last complete biweekly pay period, or corresponding period in the case of an officer or employee who is not paid on the basis of biweekly pay periods, in any year is authorized to the following categories of employees of the Federal Government, other than officers and employees in the Foreign Service of the United States under the Department of State, stationed outside the several States and the District of Columbia:

(1) Persons directly recruited or transferred from the United States by the Federal Government.

(2) Persons employed locally but (A) who were originally recruited from the United States and have been in substantially continuous employment by other Federal agencies, United States firms, interests, or organizations, international organizations in which the United States Government participates, or foreign governments, and whose conditions of employment provide for their return transportation to the United States, or (B) who were at the time of employment temporarily absent from the United States for purposes of travel or formal study and maintained residence in the United States during such temporary absence.

(3) Persons who are not normally residents of the area concerned and who are discharged from the military service of the United States to accept employment with an agency of the Federal Government.

(e) Where an officer or employee to whom the provisions of subsection (d) are applicable, or who is in the Foreign Service of the United States under the Department of State, and whose post of duty is outside the several States and the District of Columbia returns to any such State or the District of Columbia on leave, the leave granted pursuant to this Act shall be exclusive of the time actually and necessarily occupied in going to and from his post of duty and such time as may be necessarily occupied in awaiting sailing or flight. The provisions of this subsection shall not apply with respect to more than one period of leave in any twenty-four month period.

(f) Officers and employees in the Foreign Service of the United States under the Department of State may be granted leave of absence, without regard to any other leave provided by this title, for use in the United States, its Territories or possessions, at a rate equivalent to one week for each four months of service outside the several States and the District of Columbia. Such leave may be accumulated for future use without regard to the limitation in subsection (c) but no such leave which is not used shall be made the basis for any terminal leave or lump-sum payment.

(g) Alien employees who occupy positions outside the several States and the District of Columbia may, in the discretion of the head of the



department or agency concerned, be granted leave of absence with pay not in excess of the amount of annual and sick leave allowable under this title in the case of citizen employees.

(h) The annual leave provided for in this section, including such leave as will accrue to any officer or employee during the year, may be granted at any time during such year as the heads of the various departments and independent establishments may prescribe.

(i) Notwithstanding the provisions of subsection (a), an officer or employee shall be entitled to annual leave under this title only after having been employed currently for a continuous period of ninety days under one or more appointments without break in service. In any case in which an officer or employee completes a period of continuous employment of ninety days there shall be credited to him an amount of annual leave equal to the amount which, but for this subsection, would have accrued to him under subsection (a) during such period.

#### SICK LEAVE

SEC. 204. (a) Officers and employees to whom this title applies shall be entitled to sick leave with pay, which shall accrue on the basis of one-half day for each full biweekly pay period.

(b) The sick leave provided for in this section, which is not used by an officer or employee during the year in which it accrues, shall accumulate and be available for use in succeeding years.

(c) Not to exceed thirty days sick leave may be advanced in cases of serious disability or ailments and when required by the exigencies of the situation.

#### GENERAL PROVISIONS

SEC. 205. (a) The days of leave provided for in this title shall mean days upon which an employee would otherwise work and receive pay, and shall be exclusive of holidays, and all nonworkdays established by Federal statute or by Executive or administrative order.

(b) An employee shall be considered for the purposes of this title to have been employed for a full biweekly pay period if he shall have been employed during the days within such period, exclusive of holidays and all nonworkdays established by Federal statute or by Executive or administrative order, which fall within his basic administrative workweek.

(c) Part time officers and employees, unless otherwise excepted, shall be entitled on a pro rata basis to the benefits provided by sections 203 and 204 of this title.

(d) The authorized absence of a rural carrier on Saturdays which occur within or at the beginning or end of a period of sick or annual leave of five or more days' duration (or four days' duration if a holiday falls within or at the beginning or end of the period of sick or annual leave) shall be without charge to such leave or loss of compensation. Saturdays occurring in a period of annual or sick leave taken in a smaller number of days may at the option of the carrier be charged to his accrued leave and when so charged he shall be paid for such absence.

#### REGULATIONS

SEC. 206. The Civil Service Commission is authorized to prescribe such rules and regulations as may be necessary to provide for the administration of this title.

## REPEALS

SEC. 207. (a) *The following Acts or parts of Acts are hereby repealed:*

(1) *The Act entitled "An Act to provide for vacations to Government employees, and for other purposes", approved March 14, 1936 (49 Stat. 1161).*

(2) *The Act entitled "An Act to standardize sick leave and extend it to all civilian employees", approved March 14, 1936 (49 Stat. 1162).*

(3) *Section 6 of the Act entitled "An Act to reclassify the salaries of postmasters, officers, and employees of the Postal Service; to establish uniform procedure for computing compensation; and for other purposes", approved July 6, 1945, as amended (59 Stat. 435).*

(4) *The paragraph under the heading "Public Printing and Binding" in the Act entitled "An Act making appropriations for sundry civil expenses of the government for the fiscal year ending June thirtieth, eighteen hundred and ninety-seven, and for other purposes", approved June 11, 1896 (44 U. S. C. 45), relating to leaves of absence of employees of the Government Printing Office.*

(5) *The third proviso in the Act of August 29, 1916 (34 U. S. C. 513).*

(6) *Sections 931 and 932 of the Foreign Service Act of 1946.*

(7) *Section 601 of the Independent Offices Appropriation Act, 1952.*

(b) *Section 2 of the Act entitled "An Act to provide for the promotion of substitute employees in the postal service, and for other purposes", approved April 15, 1947 (61 Stat. 40), is amended by striking out the words "and leave".*

## SAVING PROVISION

[ SEC. 208. (a) *In any case in which—*

(1) *the amount of accumulated annual leave carried over into the calendar year 1952 by an officer or employee under provisions of law applicable to such officer or employee on December 31, 1951, is in excess of the amount allowable under the applicable provisions of section 203, or*

(2) *the amount of accumulated annual leave to the credit of an officer or employee who is subject to the provisions of section 203 (d) and who becomes subject to the provisions of section 203 (c) is in excess of the amount allowable under section 203 (c),*

*such excess shall remain to the credit of such officer or employee until used, but the use during any year of an amount of leave in excess of the aggregate amount which shall have accrued during such year shall automatically reduce the maximum allowable accumulation at the end of the last complete biweekly pay period in any year until the accumulation of such officer or employee no longer exceeds the amount prescribed in the applicable provisions of section 203.*

(b) *An officer or employee heretofore subject to a system of leave administered on a calendar-day basis shall be deemed to have to his credit on the effective date of this title five-sevenths day of leave chargeable as provided in section 205 (a) for each calendar day's leave to his credit on such date.*

(c) *No officer or employee shall be considered, by reason of the enactment of this title, to have been transferred to an agency under a different leave system within the meaning of the Act entitled "An Act to provide for the payment to certain Government employees for accumulated or accrued annual leave upon their separation from Government service", approved December 21, 1944 (5 U. S. C. 61d).*



(d) Any person who served during the period from December 1, 1950, to January 6, 1952, as an employee in the postal service, other than a substitute rural carrier, under a temporary or indefinite appointment for not less than ninety days and who shall not have been separated from the postal service prior to January 6, 1952, shall be deemed to have earned annual leave at the rate of fifteen days per year and sick leave at the rate of 10 days per year, and for such purposes shall receive credit for one-twelfth of a year for each whole calendar month he was carried on the roll as a temporary or indefinite employee during such period.

EFFECTIVE DATE

SEC. 209. This title shall take effect on January 6, 1952, except that paragraph (7) of section 207 (a) shall take effect as of the date of enactment of the Independent Offices Appropriation Act, 1952.

And the House agree to the same.

TOM MURRAY,  
GEORGE M. RHODES,  
M. G. BURNSIDE,  
EDWARD H. REES,  
HAROLD C. HAGEN,

*Managers on the Part of the House.*

OLIN D. JOHNSTON,  
JOHN O. PASTORE,  
THOS. R. UNDERWOOD,  
WILLIAM LANGER,  
FRANK CARLSON,

*Managers on the Part of the Senate.*

## STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1046) to readjust postal rates, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House struck out all of the Senate bill after the enacting clause and inserted a substitute text. The Senate recedes from its disagreement to the House amendment with an amendment which is a substitute for both the Senate bill and the House amendment. Except for technical and minor drafting changes, the differences between title I of the Senate bill, the House amendment, and title I of the conference substitute are explained below.

The Senate bill consisted of two titles: title I relating to the readjustment of postal rates and the establishment of a temporary Joint Committee on the Postal Service, and title II provided for a new annual and sick leave law for Government officers and employees. The House amendment related only to the readjustment of postal rates.

### POSTAL RATES

Section 1 (a) of title I of the Senate bill increased the rate of postage on the first ounce, or fraction thereof, of letters and sealed parcels in first-class mail from 3 cents to 4 cents. The House amendment provided no such increase. The conference substitute does not provide for such increase in first-class mail rates.

Section 1 (c) of the Senate bill and section 1 (a) of the House amendment both increased the rate of postage on Government postal cards and private mailing or post cards, and on each portion of double Government postal cards, from 1 cent to 2 cents. The House amendment also imposed an additional charge of 10 percent on all single and double Government postal cards sold in quantities of 100 or more. The conference substitute retains this additional charge of 10 percent on single and double Government postal cards, but provides that such charge shall apply with respect to all such cards which are sold in quantities of 50 or more.

Section 1 (d) of the Senate bill increased the rates of postage on the first ounce, or fraction thereof, of domestic air-mail letters and packages from 6 cents to 8 cents, and on air-mail Government postal cards and private mailing or post cards from 4 cents to 5 cents. The House amendment provided no such increase in air-mail rates. The conference substitute does not provide for such increases in air-mail rates.

Section 2 (a) of the Senate bill provided three permanent increases of 20 percent each in the total postage computed at the pound rates in effect under existing law on that portion of second-class mail sent outside the county of publication, the first 20 percent increase to take effect on the first day of the second quarter following the approval of



the bill and the second and third such increases to take effect 1 and 2 years, thereafter, respectively, except that in the case of newspapers such increases shall be at the rate of 10 percent instead of 20 percent. In section 2 (a) of the House amendment, such permanent increases were limited to 10 percent in the case of all such second-class mail, including newspapers. The conference substitute adopts the provisions of the House amendment.

Section 2 (a) of the Senate bill further provided that publications having over 75 percent advertising in more than one-half of their issues during any 12 months' period shall be ineligible for second-class mailing privileges, except that a charge made solely for the publication of transportation schedules, fares, and related information shall not be construed to be a charge for advertising for the purpose of this provision. The House amendment contained the provision of the Senate bill which bars from second-class mailing privileges publications having over 75 percent advertising in more than one-half of their issues during any 12 months' period, but omitted the provision which excepts charges made solely for the publication of transportation schedules, fares, and related information from being construed as advertising charges. The conference substitute retains the provisions of the Senate bill.

Section 2 (a) of the Senate bill also contained a provision which continues in effect the existing second-class mail rates on publications maintained by and in the interests of nonprofit religious, educational, scientific, philanthropic, agricultural, labor, or fraternal organizations or associations, and which extends such rates to veterans' organizations or associations not now entitled thereto, to temperance organizations or associations, and to service clubs. A further provision continued in effect the existing rates with respect to any religious, educational, or scientific publications designed specifically for use in school classrooms or religious instruction classes, whether or not the publisher is a nonprofit organization, and includes temperance publications within such categories of publications. The House amendment contained provisions to the same effect as those of the Senate bill, except that (1) temperance organizations or associations, service clubs, and temperance publications are excluded from the House provisions; and (2) it is required that the publisher of any such publication, before being entitled to the existing rate, shall furnish to the Postmaster General proof of qualification at such times and in such manner as the Postmaster General may prescribe. The conference substitute retains the provisions of the House amendment. Since the word "temperance" does not appear in the language of the House amendment, the conference committee emphasizes that it is not necessary specifically to include in the second proviso of section 2 (a) of the conference substitute nonprofit temperance organizations or associations among the categories of nonprofit organizations and associations with respect to which the existing rates are to remain unchanged, for the reason that these nonprofit temperance organizations and associations may qualify as educational organizations and associations within the meaning of the language of the second proviso of section 2 (a) of the conference substitute.

Section 3 of the Senate bill provided for an increase in the minimum charge per piece in third-class matter mailed in bulk from 1 cent to 1½ cents, to take effect on the first day of the third calendar month

following the calendar month of enactment of the bill, and a second increase in such minimum charge per piece to 1½ cents, to take effect 1 year after the effective date of the first increase. Section 3 of the House amendment provided for one increase in the minimum charge per piece on third-class bulk mailings to 1½ cents, effective on the same date as the date of the first of the two increases provided for by the Senate bill. The conference substitute retains the present minimum charge of 1 cent per piece until July 1, 1952, at which time this rate will be increased to 1½ cents per piece.

Section 3 of the Senate bill made no change in the existing minimum charge of 3 cents each for pieces of such size or form as to prevent ready facing and tying in bundles and requiring individual distributing. The House amendment increased the minimum charge for such pieces from 3 cents to 5 cents. The conference substitute retains the present rate of 3 cents for such odd size pieces in accordance with the Senate bill.

Section 3 of the Senate bill also provided that the existing rates on third-class matter, and not the increased rates prescribed by such section, shall continue to apply with respect to matter mailed by nonprofit religious, educational, scientific, temperance, philanthropic, agricultural, labor, veterans', or fraternal organizations or associations, or service clubs. The House amendment contained no such provision. The conference substitute retains the provisions of the Senate bill except that the words "temperance" and "service clubs" are omitted.

Section 4 of the Senate bill provided rates of postage on fourth-class mail (except books) which are in excess of the rates which were in effect on September 30, 1951, under section 204 (b) and (c) of the Postal Rate Revision and Federal Employees Salary Act of 1948, but less than the rates which became effective on October 1, 1951, by virtue of the Postmaster General's Order No. 46380. This order was the result of a provision in the Supplemental Appropriation Act, 1951 (Public Law 843, 81st Cong.), which, in effect, directed the Postmaster General to request the—

consent of the Interstate Commerce Commission to the establishment of such rate increases \* \* \* as may be necessary to insure the receipt of revenue from fourth-class mail service sufficient to pay the cost of such service.

Authority to fix fourth-class postage rates in this manner was granted by section 207 of the Act of February 28, 1925, as amended (39 U. S. C., sec. 247).

In addition to superseding the rates on postage on fourth-class mail which became effective on October 1, 1951, by virtue of the order of the Postmaster General, the Senate bill prevented any future change in such fourth-class rates except by action of the Congress.

Except in the case of books, the House amendment contained no such provisions with respect to fourth-class mail, thus permitting the rates (other than on books) fixed by the order of the Postmaster General to continue in effect.

Both the Senate bill and the House amendment retained the rates of postage in effect on September 30, 1951, with respect to books, and provided that such rates shall remain in effect until otherwise provided by Congress.

The conference substitute, like the House amendment, does not provide for any change in existing fourth-class mail rates. The con-



ference committee points out, however, that the question of the advisability of continuing the method of fixing fourth-class postal rates by recommendation of the Postmaster General with the concurrence of the Interstate Commerce Commission will be explored by the Joint Committee on the Postal Service in its study of postal rates authorized by section 13 of the conference substitute.

Section 5 of the Senate bill and section 5 of the House amendment provided identical general increases in the fees charged in addition to the regular postage for special-delivery mail, except in the case of matter of the first class weighing not more than 2 pounds. In that case the Senate bill increased the fee from 15 cents to 20 cents while the House amendment increased the fee to 23 cents. The conference substitute contains the rates of the Senate bill for such special-delivery items.

Section 12 of the House amendment authorizes the Postmaster General to prescribe by regulation from time to time the fees to be charged for the following special services: (1) registry of mail matter; (2) insurance of mail matter, or other indemnification of senders thereof for lost or damaged articles; (3) securing a signed receipt upon delivery of registered or insured mail matter and returning such receipt to sender; (4) collect-on-delivery service; (5) special-delivery service; (6) special-handling service; (7) issuance of money orders; and (8) notice to publishers of undeliverable second-class mail, notice of change of address, and notice to addressee or sender of undeliverable third- or fourth-class matter, or of undeliverable second-class matter mailed at the transient rate. The House amendment further provided that regulations issued by the Postmaster General with respect to prescribing such fees shall supersede, to the extent prescribed therein, existing laws, regulations, and orders governing the fees for the services covered thereby. The Senate bill did not contain such provisions. The conference substitute retains the provisions of the House amendment. However, the conference committee points out that the method of fixing fees for the special services will be one of the subjects of the study to be conducted by the Joint Committee on the Postal Service.

#### JOINT COMMITTEE ON THE POSTAL SERVICE

Section 12 of title I of the Senate bill established a joint committee of the Congress, known as the Joint Committee on the Postal Service, to be composed of three members of the Committee on Post Office and Civil Service of the Senate, appointed by the President of the Senate, and three members, of the Committee on Post Office and Civil Service of the House of Representatives, appointed by the Speaker of the House.

The joint committee was charged with the duty of conducting a thorough study and investigation of the following matters relating to the Postal Service: (1) Methods and means for the economical and efficient development and improvement of the postal system; (2) the justification for expenditures in excess of revenue with respect to various postal services in the light of both the business and public service aspects of the postal service; (3) costs of handling, transporting, and distributing mail matter and procedures for reduction of such costs; (4) postal rates and charges; (5) the extent to which certain items of expenditures (including free postal services, international postal ser-

vices, subsidies, and services performed for other Government departments and agencies or justified only on a national welfare basis) should be excluded in the consideration of the costs of certain postal services; (6) cost ascertainment; (7) cost analysis; and (8) such other matters relating to the efficient and economical development and improvement of the postal service as might be deemed pertinent to the objects and purposes of the study and investigation.

This section also provided for the appointment, by the Joint Committee on the Postal Service, of an advisory council of not more than 20 members to assist the joint committee in its study and investigation of the postal service. The membership of the advisory council included representatives of the general public, representative users of the mails, members of accounting and management engineering firms, postal experts, representatives of postal employee organizations, and representatives of public transportation and distribution organizations (appointed with special reference to rate making in their fields). It was required that appointments as members of the advisory council be offered to officials of the Post Office Department and that the council should select its chairman from those members representing the general public. A member of the council in the executive branch of the Government was to receive the salary which he would normally receive for his services in the executive branch if he were not a member of the council plus such additional amount as may be necessary to make his total aggregate salary \$12,500 per annum. A member of the council from private life was to receive \$50 per diem when engaged in duties of the council. All members of the council were to be reimbursed for travel, subsistence, and other necessary expenses incurred in connection with their duties.

Section 12 also contained provisions granting the joint committee the subpoena power and the authority to procure necessary printing and binding, to appoint and fix the salaries of necessary personnel, to contract for the services of accounting and management engineering firms, and to employ certain part-time consultants and other experts at a rate not to exceed \$50 per diem. It was required that, insofar as practicable, the joint committee employ persons familiar with postal service operation, accounting practices, or public transportation and distribution problems, particularly rate making.

Section 12 also authorized the Joint Committee on the Postal Service to obtain directly from the Post Office Department, or any postal field office, information, suggestions, estimates, and statistics in conducting its study and investigation of the postal system; and such Department or postal field office was authorized to furnish such assistance to the joint committee upon request of the chairman or vice chairman.

The joint committee was required to report, from time to time, to the Committee on Post Office and Civil Service of the Senate and the Committee on Post Office and Civil Service of the House of Representatives and to submit its final report to the Senate and House of Representatives, not later than January 15, 1953, of the results of its study and investigation, together with necessary recommendations for legislation. The Joint Committee on the Postal Service was to cease to exist upon the submission to the Congress of its final report.

Section 12 also authorized the appropriation of such sums as are necessary to carry out the purposes of the section, such sums to be disbursed by the Secretary of the Senate on vouchers approved by the chairman or vice chairman of the joint committee.



The House amendment contained no provision for a Joint Committee on the Postal Service.

The conference substitute retains the provisions and objectives of section 12 of the Senate bill with regard to the Joint Committee on the Postal Service with the following modifications and exceptions:

(1) The chairman of the joint committee is to be the chairman of the Committee on Post Office and Civil Service of the Senate and the vice chairman is to be the chairman of the Committee on Post Office and Civil Service of the House of Representatives;

(2) The provisions of the Senate bill covering the scope of the matters to be studied by the joint committee are revised so as to establish clearly that the studies of revenues, expenditures, methods, procedures, cost ascertainment, postal policies, etc., by the Joint Committee will relate to the problem of postal rates;

(3) The provisions of the Senate bill relating to the advisory council are eliminated;

(4) The compensation of personnel employed by the joint committee shall not exceed the maximum compensation payable under section 202 (e) of the Legislative Reorganization Act of 1946, as amended, in the case of employees of standing committees;

(5) The chairman and vice chairman of the joint committee may assign staff members of their respective committees to duties in connection with the operation of the joint committee;

(6) The sums authorized to be appropriated for the use of the joint committee are limited to \$100,000; and

(7) Appropriations for the use of the joint committee are to be disbursed on vouchers signed by both the chairman and the vice chairman of the joint committee.

#### APPLICATION TO GUAM

Pursuant to section 25 (b) of the act of August 1, 1950 (Public Law 630, 81st Cong.), providing that “\* \* \* no law of the United States \* \* \* shall have any force or effect within Guam unless specifically made applicable by Act of the Congress \* \* \*”, section 14 of the conference substitute makes the provisions of the conference substitute applicable to Guam.

The following is a discussion of title II of the Senate bill, relating to annual and sick leave, as changed by the conference substitute.

#### ANNUAL AND SICK LEAVE ACT OF 1951

Title II of the Senate bill constitutes a new annual and sick leave law for substantially all civilian officers and employees of the United States and of the government of the District of Columbia.

Section 201 provides that the title may be cited as the “Annual and Sick Leave Act of 1951.”

Section 202 extends the coverage of the law to all civilian officers and employees of the United States and of the government of the District of Columbia with the exception of certain specified categories of officers and employees who are exempted by reason of the special circumstances of their employment. These exempted officers and employees are (1) teachers and librarians of the public schools of the

District of Columbia, (2) part-time officers and employees without a regular tour of duty in each administrative workweek, (3) temporary employees engaged on construction work at hourly rates, (4) employees of the Canal Zone Government and the Panama Canal Company when employed on the Isthmus of Panama, (5) commissioned officers of the Public Health Service, (6) commissioned officers of the Coast and Geodetic Survey, (7) doctors, dentists, and nurses in the Department of Medicine and Surgery of the Veterans' Administration, (8) officers and employees of the Senate and House of Representatives, and (9) officers and employees of any corporation under the supervision of the Farm Credit Administration of which corporation any member of the board of directors is elected or appointed by private interests. Since there is no intention to make the bill applicable to judges who have not heretofore been subject to the leave laws or who have their own separate leave system, the provision of the Senate bill repealing provisions of the act of April 1, 1942, which relate to the leave of judges of the municipal court of the District of Columbia, were deleted. Officers and members of the Metropolitan Police and the Fire Department of the District of Columbia are subject to the annual-leave provisions of the law but are exempt from the sick-leave provisions.

Section 203 provides annual leave as follows: one-half day for each full biweekly pay period for officers and employees with less than 3 years of service, three-fourths day per biweekly pay period (except that the accrual for the last full biweekly pay period in any year shall be  $1\frac{1}{4}$  days) for officers and employees with 3 but less than 15 years of service, and 1 day per biweekly pay period for officers and employees with 15 years or more of service. There is no credit of annual leave for fractional parts of biweekly pay periods either at the beginning or end of an employee's period of service. In the case of officers and employees who are not paid on the basis of biweekly pay periods, leave accrues on the same basis as it would accrue if such officers and employees were paid on a biweekly basis. Any change in the rate of accrual of leave by an officer or employee shall take effect at the beginning of the next succeeding pay period following the one in which he completes the prescribed period of service.

All service which could be creditable under section 5 of the Civil Service Retirement Act of May 29, 1930, as amended, for the purposes of an annuity under such act shall be used in determining years of service for the purposes of section 203.

Annual leave which is not used by an officer or employee may accumulate for use in succeeding years in an amount not to exceed 60 days at the end of the last complete biweekly pay period in any year. A maximum accumulation of not in excess of 90 days at the end of the last complete biweekly pay period in any year is authorized with respect to certain categories of Federal employees stationed outside the several States and the District of Columbia. This means either fiscal or calendar year depending on whether the agency administers leave on a fiscal or calendar year basis.

Special leave provisions are provided for officers and employees in the Foreign Service of the United States under the Department of State. Such officers and employees may be granted leave of absence for use in the United States, its Territories or possessions, at a rate equivalent to 1 week for each 4 months of service outside the several States and the District of Columbia. Such leave may be accumulated



without limitation, but any such leave which is not used during one or between two consecutive assignments outside the several States and the District of Columbia shall not be made the basis for any terminal leave or lump-sum payment.

In the case of officers and employees whose post of duty is outside the several States and the District of Columbia and who return to any such State or the District of Columbia travel time in going to and from their posts of duty shall not be charged against the leave of such officers and employees. However, this provision does not apply with respect to more than one period of leave in any 24-month period.

Section 203 also provides that no leave shall be credited to an officer or employee until he has been currently employed for a continuous period of 90 days under one or more appointments. The purpose of this provision is to prevent the granting of leave to employees who serve for periods of less than 90 days. When an officer or employee has completed 90 days of service he will be credited retroactively with leave for the entire period.

Annual leave with pay not in excess of the amount allowed employees who are citizens of the United States may, in the discretion of the head of the department or agency concerned, be granted alien employees occupying positions outside the several States and the District of Columbia.

Annual leave provided for in section 203, including such leave as will accrue to any officer or employee during the year, may be granted at any time during the year as may be prescribed by the heads of the various departments and independent establishments.

Section 204 provides sick leave for officers and employees on the basis of one-half day for each biweekly pay period. Sick leave shall accumulate without limit for use by the officer or employee. Section 204 also permits the advancement of not to exceed 30 days' sick leave in cases of serious disability or ailments and when required by the urgency of the situation.

Section 205 contains several technical provisions necessary for the proper administration of the new annual and sick leave law. Also, it provides that part-time officers and employees, unless otherwise excepted, shall be entitled to annual and sick leave on a pro rata basis.

Section 206 authorizes the Civil Service Commission to prescribe necessary rules and regulations for the administration of the new annual and sick leave law.

Section 207 repeals certain acts and parts of acts which are inconsistent with the new annual and sick leave law.

Section 208 provides that the amount of annual leave previously accumulated by an officer or employee, which is carried over into the period covered by the new annual and sick leave law and which is in excess of the maximum amount of accumulated annual leave allowable to such officer or employee under the new law, shall, notwithstanding such maximum allowable amount, remain to the credit of such officer or employee until such excess annual leave is used. The amount of any such excess annual leave of an officer or employee is reduced by that amount of annual leave used by him during any year which is in excess of the annual leave which accrued to him during that year.

Section 208 also makes provision for converting to a workday basis the calendar days of leave to the credit of officers and employees

previously subject to a leave system administered on a calendar-day basis by allowing credit, on the effective date of the new law, of five-sevenths days of leave on a workday basis for each calendar day of leave to his credit on such date.

Section 208 further provides in subsection (d) that substitute employees in the postal field service (except substitute rural carriers), serving during the period from December 1, 1950, to January 6, 1952, under a temporary or indefinite appointment for not less than 90 days, shall be considered to have earned annual and sick leave during that period at the same rate as regular and substitute classified employees in the postal field service and shall receive appropriate credit for such annual and sick leave under the new annual and sick leave law. No provision is made under existing law for granting annual and sick leave to temporary employees in the postal field service. At the present time all appointments are made on a temporary or indefinite basis with the result that such employees may remain on the rolls for extended periods without opportunity to earn annual or sick leave.

The House recently considered this problem when it passed H. R. 3605, on June 4, 1951, which granted to substitute temporary and indefinite employees in the postal field service serving under appointments of not less than 90 days the same annual and sick leave benefits as enjoyed by regular and substitute classified employees in the postal field service. H. R. 3605 was not enacted into law. Since employees in the postal field service serving under a temporary or indefinite appointment of not less than 90 days are entitled to annual and sick leave benefits under the new annual and sick leave provisions of title II of the Senate bill, section 208 (d) merely carries out the purposes of H. R. 3605, as passed the House, with appropriate changes in language to conform to the provisions of the new annual and sick leave law.

Section 209 provides that the Annual and Sick Leave Act of 1951, except paragraph (8) of section 207 (a), shall take effect on January 6, 1952. Such paragraph (8) is to take effect on the date of the enactment of the Independent Offices Appropriation Act, 1952. This paragraph repeals section 601 of such act which provides (1) that no funds appropriated under such act or any other act shall be available to pay for annual leave accumulated by any civilian officer or employee during the calendar year 1951 and unused at the close of business on June 30, 1952, and (2) that no civilian officer or employee shall be entitled to earn annual leave at a rate in excess of 20 days per annum.

TOM MURRAY,  
GEORGE M. RHODES,  
M. G. BURNSIDE,  
EDWARD H. REES,  
HAROLD C. HAGEN,

*Managers on the Part of the House.*











## READJUSTMENT OF POSTAL RATES

Mr. MURRAY of Tennessee submitted the following conference report and statement:

## CONFERENCE REPORT (H. REPT. No. 1210)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1046) to readjust postal rates, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

## "TITLE I

## "FIRST-CLASS MAIL

"SECTION 1. (a) The rate of postage on each single postal card issued and sold under the provisions of section 3916 of the Revised Statutes (U. S. C., title 39, sec. 356), and on each portion of double postal cards issued and sold under the provisions of the Act of March 3, 1879 (U. S. C., title 39, sec. 358), shall be 2 cents: *Provided*, That on all single and double postal cards sold in quantities of fifty or more there shall be an additional charge of 10 per centum. The rate of postage on each private mailing or post card conforming to the conditions prescribed by the Act of May 19, 1898 (U. S. C., title 39, sec. 281), shall be 2 cents.

"(b) Except as provided in paragraph (a) of this section, the rate of postage on mail matter of the first class when mailed for local delivery at post offices where free delivery by carrier is not established and when the matter is not collected or delivered by rural or star route carriers, shall be 2 cents for each ounce or fraction thereof.

## "SECOND-CLASS MAIL

"SEC. 2. (a) In the case of publications entered as second-class matter (including sample copies to the extent of 10 per centum of the weight of copies mailed to subscribers during the calendar year) when mailed by the publisher thereof from the post office of publication and entry or other post office where such entry is authorized, or when mailed by news agents (registered as such under regulations prescribed by the Postmaster General) to actual subscribers thereto or to other news agents for the purpose of sale, the total postage computed at the pound rates in effect under existing law and based on the bulk weight of each mailing shall be increased (1) by 10 per centum, beginning on April 1, 1952, (2) by an additional 10 per centum, based on the rates now in force, beginning on April 1, 1953, and (3) by an additional 10 per centum, based on the rates now in force, beginning on April 1, 1954: *Provided*, That publications having over 75 per centum advertising in more than one-half of their issues during any twelve months' period shall not be accepted for mailing as second-class matter and their entry shall be revoked, except that for the purpose of this proviso only, a charge made solely for the publication of transportation schedules, fares, and related information shall not be construed as constituting a charge for advertising: *Provided further*, That the rate of postage on newspapers or periodicals maintained by and in the interests of religious, educational, scientific, philanthropic, agricultural, labor, veterans' or fraternal organizations or associations, not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual, shall be 1½ cents per pound or fraction thereof, and the increases provided by this section shall not apply to such rate: *And provided further*,

That existing rates shall continue in effect with respect to any religious, educational, or scientific publication designed specifically for use in school classrooms or in religious instruction classes. The publisher of any such newspaper, periodical, or publication before being entitled to such rate shall furnish proof of qualification to the Postmaster General at such times and under such conditions as the Postmaster General may prescribe.

"(b) The free-in-county mailing privilege and the rates of postage on copies of publications of the second class when addressed for delivery within the county in which they are published and entered as such shall be the same as authorized by existing law: *Provided further*, That copies of a publication mailed at a post office where it is entered, for delivery by letter carriers at a different post office within the delivery limits of which the headquarters or general business office of the publisher is located, shall be chargeable with postage at the rate that would be applicable if the copies were mailed at the latter office, unless postage chargeable at the pound rates from the office of mailing is higher, in which case such higher rates shall apply.

"(c) In no case, except where the free-in-county mailing privilege is applicable, shall the postage on each individually addressed copy be less than one-eighth of 1 cent.

"(d) The rate of postage on copies of publications having second-class entry mailed by others than the publishers or authorized news agents, sample copies mailed by the publishers in excess of the 10 per centum allowance entitled to be sent at the pound rates, and copies mailed by the publishers to persons who may not be included in the required legitimate list of subscribers, shall be 2 cents for the first two ounces and 1 cent for each additional two ounces or fraction thereof, except when the postage at the rates prescribed for fourth-class matter is lower, in which case the latter rates shall apply, computed on each individually addressed copy or package of unaddressed copies, and not on the bulk weight of the copies and packages.

## "THIRD-CLASS MAIL

"SEC. 3. The rate of postage on third-class matter shall be 2 cents for the first two ounces or fraction thereof, and 1 cent for each additional ounce or fraction thereof up to and including eight ounces in weight, except that the rate of postage on books and catalogs, of twenty-four pages or more, seeds, cuttings, bulbs, roots, scions, and plants not exceeding eight ounces in weight shall be 2 cents for the first two ounces or fraction thereof and 1½ cents for each additional two ounces or fraction thereof: *Provided*, That upon payment of a fee of \$10 for each calendar year or portion thereof and under such regulations as the Postmaster General may establish for the collection of the lawful revenue and for facilitating the handling of such matter in the mails, it shall be lawful to accept for transmission in the mails, separately addressed identical pieces of third-class matter in quantities of not less than twenty pounds, or of not less than two hundred pieces, subject to pound rates of postage applicable to the entire bulk mailed at one time: *Provided further*, That the rate of postage on third-class matter mailed in bulk under the foregoing provisions shall be 14 cents for each pound or fraction thereof with a minimum charge per piece of 1 cent, except that in the case of books and catalogs of twenty-four pages or more, seeds, cuttings, bulbs, roots, scions, and plants the rate shall be 10 cents for each pound or fraction thereof with a minimum charge per piece of 1 cent: *Provided further*, That the minimum charge per piece of one cent specified in the foregoing proviso shall be increased to 1½ cents

on July 1, 1952: *Provided further*, That pieces or packages of such size or form as to prevent ready facing and tying in bundles and requiring individual distributing throughout shall be subject to a minimum charge of 3 cents each: *And provided further*, That the rates prescribed by this section shall not apply with respect to matter mailed by religious, educational, scientific, philanthropic, agricultural, labor, veterans', or fraternal organizations or associations, not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual, and the existing rates shall continue to apply with respect to such matter.

## "BOOKS

"SEC. 4. The rates of postage prescribed by subsections (d) and (e) of section 204 of the Postal Rate Revision and Federal Employees Salary Act of 1948 shall remain in effect until otherwise provided by Congress.

## "SPECIAL DELIVERY

"SEC. 5. Mail of any class shall be given the most expeditious handling and transportation practicable and immediate delivery at the office of address when, in addition to the regular postage, a special-delivery fee is prepaid thereon by means of special-delivery stamps or ordinary postage stamps, or in such other manner as the Postmaster General may prescribe, in accordance with the following schedule: Matter weighing not more than two pounds, if of the first class, 20 cents; if of any other class, 35 cents. Matter weighing more than two but not more than ten pounds, if of the first class, 35 cents; if of any other class, 45 cents. Matter weighing more than ten pounds, if of the first class, 50 cents; if of any other class, 60 cents.

## "REGISTERED MAIL

"SEC. 6. (a) Mail matter shall be registered on the application of the party posting the same. The registry fees, which shall be in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by this subsection, shall be as follows:

"For articles having no intrinsic value and for which no indemnity is payable, 30 cents; "For registry indemnity not exceeding \$5, 40 cents;

"For registry indemnity exceeding \$5 but not exceeding \$25, 55 cents;

"For registry indemnity exceeding \$25 but not exceeding \$50, 65 cents;

"For registry indemnity exceeding \$50 but not exceeding \$75, 75 cents;

"For registry indemnity exceeding \$75 but not exceeding \$100, 85 cents;

"For registry indemnity exceeding \$100 but not exceeding \$200, 95 cents;

"For registry indemnity exceeding \$200 but not exceeding \$300, \$1.05;

"For registry indemnity exceeding \$300 but not exceeding \$400, \$1.15;

"For registry indemnity exceeding \$400 but not exceeding \$500, \$1.25;

"For registry indemnity exceeding \$500 but not exceeding \$600, \$1.35;

"For registry indemnity exceeding \$600 but not exceeding \$700, \$1.45;

"For registry indemnity exceeding \$700 but not exceeding \$800, \$1.55;

"For registry indemnity exceeding \$800 but not exceeding \$900, \$1.65;

"For registry indemnity exceeding \$900 but not exceeding \$1,000, \$1.75: *Provided*, That for registered mail having a declared value in excess of \$25 a registry fee of not less than 55 cents shall be paid.

"(b) For registered mail or insured mail treated as registered mail having a declared value in excess of the maximum indemnity covered by the registry or insurance fee paid there shall be charged additional fees (known as 'surcharges') as follows: When the



declared value exceeds the maximum indemnity covered by the registry or insurance fee paid by not more than \$50, 2 cents; by more than \$50 but not more than \$100, 3 cents; by more than \$100 but not more than \$200, 4 cents; by more than \$200 but not more than \$400, 6 cents; by more than \$400 but not more than \$600, 7 cents; by more than \$600 but not more than \$800, 8 cents; by more than \$800 but less than \$1,000, 10 cents; and if the excess of the declared value over the maximum indemnity covered by the registry or insurance fee paid is \$1,000 or more, the additional fees for each \$1,000 or part of \$1,000 on articles destined to points within the several zones applicable to fourth-class matter shall be as follows:

"For local delivery or for delivery within the first zone, 12 cents;

"For delivery within the second zone, 14 cents;

"For delivery within the third zone, 16 cents;

"For delivery within the fourth zone, 17 cents;

"For delivery within the fifth or sixth zones, 18 cents;

"For delivery within the seventh or eighth zones, 19 cents: *Provided*, That for registered mail or insured mail treated as registered mail of such kind or character that it may be carried at less than the maximum risk of loss in the mails, the Postmaster General may prescribe rules for determining upon what part of the declared value in excess of the maximum indemnity covered by the registry or insurance fee paid the additional fees shall be based.

#### "RETURN RECEIPTS FOR REGISTERED MAIL

"SEC. 7. Whenever the sender of any registered mail shall so request, and upon payment of a fee of 7 cents at the time of mailing or of 15 cents subsequent to the time of mailing, a receipt shall be obtained for such registered mail, showing to whom and when the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided*, That upon payment of the additional sum of 24 cents at the time of mailing of any such registered mail, a receipt shall be obtained for such registered mail, showing to whom, when, and the address where the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided further*, That no refund shall be made of fees paid for return receipts for registered mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the postal service.

#### "FEES FOR INSURED MAIL

"SEC. 8. The fees for insurance, which shall be in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by this section, shall be as follows: 5 cents for indemnification not exceeding \$5; 10 cents for indemnification exceeding \$5 but not exceeding \$10; 15 cents for indemnification exceeding \$10 but not exceeding \$25; 20 cents for indemnification exceeding \$25 but not exceeding \$50; 30 cents for indemnification exceeding \$50 but not exceeding \$100; 35 cents for indemnification exceeding \$100 but not exceeding \$200.

#### "RETURNED RECEIPTS FOR INSURED MAIL

"SEC. 9. Whenever the sender of an insured article of mail on which other than the minimum fee was paid shall so request, and upon payment of a fee of 7 cents at the time of mailing or of 15 cents subsequent to the time of mailing, a receipt shall be obtained for such insured mail, showing to whom and when the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided*, That upon

payment of the additional sum of 24 cents at the time of mailing of any insured article of mail on which other than the minimum fee was paid, a receipt shall be obtained for such insured mail, showing to whom, when, and the address where the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided further*, That no refund shall be made of fees paid for return receipts for insured mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the postal service.

#### "FEES FOR COLLECT-ON-DELIVERY MAIL

"SEC. 10. The fees for collect-on-delivery service for sealed domestic mail matter of any class bearing postage at the first-class rate and for domestic third- and fourth-class mail matter shall, in addition to the regular postage and any other required fees, be as follows: 30 cents for collections and indemnity not exceeding \$5; 40 cents for collections and indemnity exceeding \$5 but not exceeding \$10; 60 cents for collections and indemnity exceeding \$10 but not exceeding \$25; 70 cents for collections and indemnity exceeding \$25 but not exceeding \$50; 80 cents for collections and indemnity exceeding \$50 but not exceeding \$100; 90 cents for collections and indemnity exceeding \$100 but not exceeding \$150; \$1 for collections and indemnity exceeding \$150 but not exceeding \$200.

#### "REGISTERED COLLECT-ON-DELIVERY MAIL

"SEC. 11. (a) The fee for collect-on-delivery service for registered sealed domestic mail of any class bearing postage at the first-class rate shall, in addition to the regular postage and any other required fees, be 80 cents for collections and indemnity not exceeding \$10; \$1.10 for collections and indemnity exceeding \$10 but not exceeding \$50; \$1.20 for collections and indemnity exceeding \$50 but not exceeding \$100; \$1.40 for collections and indemnity exceeding \$100 but not exceeding \$200. The maximum amount of charges collectible on any registered sealed domestic collect-on-delivery article shall be \$200.

"(b) When indemnity in excess of \$200 is desired, the fee for such registered sealed domestic collect-on-delivery mail shall, in addition to the regular postage and any other required fees, be \$150 for indemnity exceeding \$200 but not exceeding \$300; \$1.60 for indemnity exceeding \$300 but not exceeding \$400; \$1.70 for indemnity exceeding \$400 but not exceeding \$500; \$1.80 for indemnity exceeding \$500 but not exceeding \$600; \$1.90 for indemnity exceeding \$600 but not exceeding \$700; \$2 for indemnity exceeding \$700 but not exceeding \$800; \$2.10 for indemnity exceeding \$800 but not exceeding \$1,000.

#### "FEES FOR SPECIAL SERVICES

"SEC. 12. (a) The Postmaster General is authorized to prescribe by regulation from time to time the fees which shall be charged by the postal service—

- "(1) for the registry of mail matter;
- "(2) for the insurance of mail matter, or other indemnification of senders thereof for articles damaged or lost;
- "(3) for securing a signed receipt upon the delivery of registered or insured mail matter and returning such receipt to sender;
- "(4) for collect-on-delivery service;
- "(5) for special-delivery service;
- "(6) for special-handling service;
- "(7) for the insurance of money orders;
- "(8) for notice to publishers of undeliverable second-class mail, for notice of change of address, and for notice to addressee or sender of undeliverable third- or fourth-class matter, or of undeliverable second-class matter mailed at the transient rate.

"(b) Regulations issued by the Postmaster General under subsection (a) shall,

to the extent prescribed therein, supersede existing laws, regulations, and orders governing the fees for the services covered thereby.

#### "JOINT COMMITTEE ON POSTAL SERVICE

SEC. 13. (a) (1) There is hereby established a Joint Committee on the Postal Service (hereinafter referred to as the "joint committee"), to be composed of three members of the Committee on Post Office and Civil Service of the Senate, to be appointed by the President of the Senate, and three members of the Committee on Post Office and Civil Service of the House of Representatives, to be appointed by the Speaker of the House of Representatives.

"(2) The chairman of the joint committee shall be the chairman of the Post Office and Civil Service Committee of the Senate, and the vice-chairman shall be the chairman of the Committee on Post Office and Civil Service of the House of Representatives. Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as the original selection. A majority of the members of the joint committee, or any subcommittee thereof, shall constitute a quorum for the transaction of business, except that a lesser number, to be fixed by the joint committee, shall constitute a quorum for the purpose of taking sworn testimony.

"(b) The joint committee, acting as a whole or by subcommittee, shall conduct a thorough study and investigation in respect of the following matters:

"(1) Postal rates and charges in relation to the reasonable cost of handling the several classes of mail matter and special services, with due allowances in each class for the care required, the degree of preferment, priority in handling, and economic value of the services rendered; the public interest served thereby.

"(2) The extent to which expenditures now charged to the Post Office Department for the following items should be excluded in considering costs for the several classes of mail matter and special services:

- "(A) Expenditures for free postal services;
- "(B) Expenditures in excess of revenues for international postal services;
- "(C) Expenditures for subsidies for postal services pursuant to law or legislative policy of Congress;
- "(D) Expenditures in excess of revenues, pursuant to the Act of June 5, 1930 (39 U. S. C. 793), not enumerated in the preceding subparagraphs (A), (B), or (C);
- "(E) Expenditures for services of any character not otherwise enumerated herein which may be performed for other departments and agencies of the Government; and
- "(F) Expenditures which may be justified only on a national welfare basis and not primarily as a business function.

"(3) Expenditures for the Post Office Department by other Government agencies which should be considered in connection with the cost for the handling of the several classes of mail matter and special services, such as employees' retirement, use of Government buildings, and maintenance services.

"(4) The extent, if any, to which Post Office Department expenditures in excess of revenue for its various services and for the handling of various classes of mail, are justified as being in the public interest.

"(c) (1) The joint committee, or any duly authorized subcommittee thereof, is authorized (A) to hold such hearings; (B) to sit and act at such places and times; (C) to require, by subpoena or otherwise, the attendance of such witnesses and the production of such books, papers, and documents; (D) to administer such oaths; (E) to take such testimony; (F) to procure such printing and binding; and (G) to make such



expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not exceed 25 cents per hundred words. The provisions of sections 102 to 104, inclusive, of the Revised Statutes shall apply in the case of any failure of any witness to comply with a subpoena or to testify when summoned under authority of this section.

"(2) The joint committee is authorized to appoint and fix the compensation of such personnel as it deems necessary to assist it in the performance of its functions. Such compensation shall not be fixed at a rate in excess of the maximum rate payable under section 202 (e) of the Legislative Reorganization Act of 1946, as amended, in the case of employees of standing committees, except that the joint committee may employ part-time consultants, experts, and technicians at a per diem rate not in excess of \$50. The joint committee may also contract for the service of accounting and management engineering firms to assist it in the performance of its functions. Insofar as practicable, the joint committee shall employ persons familiar with the operation of the postal service, accounting practices, or problems of public transportation and distribution with special reference to rate making in those fields. The chairman and vice chairman of the joint committee are authorized to assign from time to time the members of the staff of their respective committees to duties and responsibilities in connection with the operation of such joint committee.

"(d) The joint committee shall report from time to time to the committees of the Senate and House of Representatives from which the membership of the joint committee was appointed, and shall submit its final report to the Senate and the House of Representatives not later than January 15, 1953, of the results of its study and investigation together with such recommendations as to necessary legislation as it may deem advisable. Upon the submission of such final report the joint committee shall cease to exist.

"(e) There is hereby authorized to be appropriated not in excess of \$100,000 to carry out the purposes of this section, to be disbursed by the Secretary of the Senate on vouchers signed by the chairman and vice chairman of the joint committee.

#### "REPEAL OF EXISTING PROVISIONS

"SEC. 14. All existing laws or portions thereof, inconsistent or in conflict with this title, are hereby amended or repealed.

#### "APPLICATION TO GUAM

"SEC. 15. This Act shall have the same force and effect within Guam as within other possessions of the United States.

#### "EFFECTIVE DATE

"SEC. 16. This title shall take effect on the first day of the third calendar month following the calendar month in which it is enacted, except the rates herein provided for second-class mail shall take effect on the first day of the second quarter beginning after the approval of this Act.

#### "TITLE II

"SEC. 201. This title may be cited as the 'Annual and Sick Leave Act of 1951'.

#### "COVERAGE AND EXEMPTIONS

"SEC. 202. (a) Except as provided in subsection (b), this title shall apply to all civilian officers and employees of the United States and of the government of the District of Columbia, including officers and employees of corporations wholly owned or controlled by the United States.

"(b) (1) This title shall not apply to—

"(A) teachers and librarians of the public schools of the District of Columbia;

"(B) part-time officers and employees (except hourly employees in the field service of the Post Office Department) for whom there has not been established a regular tour of duty during each administrative workweek;

"(C) temporary employees engaged on construction work at hourly rates;

"(D) employees of the Canal Zone Government and the Panama Canal Company when employed on the Isthmus of Panama;

"(E) commissioned officers of the Public Health Service;

"(F) commissioned officers of the Coast and Geodetic Survey;

"(G) doctors, dentists, and nurses in the Department of Medicine and Surgery of the Veterans' Administration;

"(H) officers and employees of the Senate and House of Representatives; and

"(I) officers and employees of any corporation under the supervision of the Farm Credit Administration of which corporation any member of the board of directors is elected or appointed by private interests.

"(2) This title, except section 203 (g), shall not apply to alien employees who occupy positions outside the several States and the District of Columbia.

"(3) Section 204 of this title shall not apply to officers and members of the Metropolitan Police and the Fire Department of the District of Columbia.

#### "ANNUAL LEAVE

"SEC. 203. (a) Officers and employees to whom this title applies shall be entitled to annual leave with pay which shall accrue as follows—

"(1) one-half day for each full biweekly pay period in the case of officers and employees with less than three years of service,

"(2) three-fourths day for each full biweekly pay period (except that the accrual for the last full biweekly pay period in the year shall be one and one-fourth days) in the case of officers and employees with three but less than fifteen years of service, and

"(3) one day for each full biweekly pay period in the case of officers and employees with fifteen years or more of service."

In determining years of service for the purposes of this subsection, there shall be included all service creditable under the provisions of section 5 of the Civil Service Retirement Act of May 29, 1930, as amended, for the purposes of an annuity under such Act and the determination of the period of service rendered may be made upon the basis of an affidavit of the employee. In the case of an officer or employee who is not paid on the basis of biweekly pay periods, the leave provided by this title shall accrue on the same basis as it would accrue if such officer or employee were paid on the basis of biweekly pay periods.

"(b) Any change in the rate of accrual of annual leave by an officer or employee under the provisions of this section shall take effect as of the beginning of the pay period following the pay period, or corresponding period in the case of an officer or employee who is not paid on the basis of biweekly pay periods, in which such officer or employee completes the prescribed period of service.

"(c) The annual leave provided for in this section, which is not used by an officer or employee, shall accumulate for use in succeeding years until it totals not to exceed sixty days at the end of the last complete biweekly pay period, or corresponding period in the case of an officer or employee who is not paid on the basis of biweekly pay periods, occurring in any year.

"(d) Notwithstanding the provisions of subsection (c), a maximum accumulation not to exceed ninety days at the end of the last complete biweekly pay period, or corresponding period in the case of an officer or employee who is not paid on the basis of biweekly pay periods, in any year is authorized to the following categories of employees of the Federal Government, other than officers and employees in the Foreign Service of the United States under the Department of State, stationed outside the several States and the District of Columbia:

"(1) Persons directly recruited or transferred from the United States by the Federal Government.

"(2) Persons employed locally but (A) who were originally recruited from the United States and have been in substantially continuous employment by other Federal agencies, United States firms, interests, or organizations, international organizations in which the United States Government participates, or foreign governments, and whose conditions of employment provide for their return transportation to the United States, or (B) who were at the time of employment temporarily absent from the United States for purposes of travel or formal study and maintained residence in the United States during such temporary absence.

"(3) Persons who are not normally residents of the area concerned and who are discharged from the military service of the United States to accept employment with an agency of the Federal Government.

"(e) Where an officer or employee to whom the provisions of subsection (d) are applicable, or who is in the Foreign Service of the United States under the Department of State, and whose post of duty is outside the several States and the District of Columbia returns to any such State or the District of Columbia on leave, the leave granted pursuant to this Act shall be exclusive of the time actually and necessarily occupied in going to and from his post of duty and such time as may be necessarily occupied in awaiting sailing or flight. The provisions of this subsection shall not apply with respect to more than one period of leave in any twenty-four month period.

"(f) Officers and employees in the Foreign Service of the United States under the Department of State may be granted leave of absence, without regard to any other leave provided by this title, for use in the United States, its Territories or possessions, at a rate equivalent to one week for each four months of service outside the several States and the District of Columbia. Such leave may be accumulated for future use without regard to the limitation in subsection (c) but no such leave which is not used shall be made the basis for any terminal leave or lump-sum payment.

"(g) Alien employees who occupy positions outside the several States and the District of Columbia may, in the discretion of the head of the department or agency concerned, be granted leave of absence with pay not in excess of the amount of annual and sick leave allowable under this title in the case of citizen employees.

"(h) The annual leave provided for in this section, including such leave as will accrue to any officer or employee during the year, may be granted at any time during such year as the head of the various departments and independent establishments may prescribe.

"(i) Notwithstanding the provisions of subsection (a), an officer or employee shall be entitled to annual leave under this title only after having been employed currently for a continuous period of 90 days under one or more appointments without break in service. In any case in which an officer or employee completes a period of continuous employment of 90 days there shall be credited to him an amount of annual leave equal to the amount which, but for this subsection, would have accrued to him under subsection (a) during such period.

#### "SICK LEAVE

"SEC. 204. (a) Officers and employees to whom this title applies shall be entitled to sick leave with pay which shall accrue on the basis of one-half day for each full biweekly pay period.

"(b) The sick leave provided for in this section, which is not used by an officer or employee during the year in which it ac-



crues, shall accumulate and be available for use in succeeding years.

"(c) Not to exceed 30 days sick leave may be advanced in cases of serious disability or ailments and when required by the exigencies of the situation.

#### "GENERAL PROVISIONS

"SEC. 205. (a) The days of leave provided for in this title shall mean days upon which an employee would otherwise work and receive pay, and shall be exclusive of holidays, and all nonworkdays established by Federal statute or by Executive or administrative order.

"(b) An employee shall be considered for the purposes of this title to have been employed for a full biweekly pay period if he shall have been employed during the days within such period, exclusive of holidays and all nonworkdays established by Federal statute or by Executive or administrative order, which fall within his basic administrative workweek.

"(c) Part time officers and employees, unless otherwise excepted, shall be entitled on a pro rata basis to the benefits provided by sections 203 and 204 of this title.

"(d) The authorized absence of a rural carrier on Saturdays which occur within or at the beginning or end of a period of sick or annual leave of five or more days' duration (or four days' duration if a holiday falls within or at the beginning or end of the period of sick or annual leave) shall be without charge to such leave or loss of compensation. Saturdays occurring in a period of annual or sick leave taken in a smaller number of days may at the option of the carrier be charged to his accrued leave and when so charged he shall be paid for such absence.

#### "REGULATIONS

"SEC. 206. The Civil Service Commission is authorized to prescribe such rules and regulations as may be necessary to provide for the administration of this title.

#### "REPEALS

"SEC. 207. (a) The following Acts or parts of Acts are hereby repealed:

"(1) The Act entitled 'An Act to provide for vacations to Government employees, and for other purposes', approved March 14, 1936 (49 Stat. 1161).

"(2) The Act entitled 'An Act to standardize sick leave and extend it to all civilian employees,' approved March 14, 1936 (49 Stat. 1162).

"(3) Section 6 of the Act entitled 'An Act to reclassify the salaries of postmasters, officers, and employees of the Postal Service; to establish uniform procedure for computing compensation; and for other purposes', approved July 6, 1945, as amended (59 Stat. 435).

"(4) The paragraph under the heading 'Public Printing and Binding' in the Act entitled 'An Act making appropriations for sundry civil expenses of the government for the fiscal year ending June thirtieth, eighteen hundred and ninety-seven, and for other purposes', approved June 11, 1896 (44 U. S. C. 45), relating to leaves of absence of employees of the Government Printing Office.

"(5) The third proviso in the Act of August 29, 1916 (34 U. S. C. 513).

"(6) Sections 931 and 932 of the Foreign Service Act of 1946.

"(7) Section 601 of the Independent Offices Appropriation Act, 1952.

"(b) Section 2 of the Act entitled 'An Act to provide for the promotion of substitute employees in the postal service, and for other purposes', approved April 15, 1947 (61 Stat. 40), is amended by striking out the words 'and leave'.

#### "SAVING PROVISION

"SEC. 208. (a) In any case in which—

"(1) the amount of accumulated annual leave carried over into the calendar year 1952 by an officer or employee under provisions

of law applicable to such officer or employee on December 31, 1951, is in excess of the amount allowable under the applicable provisions of section 203, or

"(2) the amount of accumulated annual leave to the credit of an officer or employee who is subject to the provisions of section 203 (d) and who becomes subject to the provisions of section 203 (c) is in excess of the amount allowable under section 203 (c), such excess shall remain to the credit of such officer or employee until used, but the use during any year of an amount of leave in excess of the aggregate amount which shall have accrued during such year shall automatically reduce the maximum allowable accumulation at the end of the last complete biweekly pay period in any year until the accumulation of such officer or employee no longer exceeds the amount prescribed in the applicable provisions of section 203.

"(b) An officer or employee heretofore subject to a system of leave administered on a calendar-day basis shall be deemed to have to his credit on the effective date of this title five-sevenths day of leave chargeable as provided in section 205 (a) for each calendar day's leave to his credit on such date.

"(c) No officer or employee shall be considered, by reason of the enactment of this title, to have been transferred to an agency under a different leave system within the meaning of the Act entitled 'An Act to provide for the payment to certain Government employees for accumulated or accrued annual leave upon their separation from Government service', approved December 21, 1944 (5 U. S. C. 61d).

"(d) Any person who served during the period from December 1, 1950, to January 6, 1952, as an employee in the postal service, other than a substitute rural carrier, under a temporary or indefinite appointment for not less than ninety days and who shall not have been separated from the postal service prior to January 6, 1952, shall be deemed to have earned annual leave at the rate of fifteen days per year and sick leave at the rate of 10 days per year, and for such purposes shall receive credit for one-twelfth of a year for each whole calendar month he was carried on the roll as a temporary or indefinite employee during such period.

#### "EFFECTIVE DATE

"SEC. 209. This title shall take effect on January 6, 1952, except that paragraph (7) of section 207 (a) shall take effect as of the date of enactment of the Independent Offices Appropriation Act, 1952."

And the House agree to the same.

TOM MURRAY,  
GEORGE M. RHODES,  
M. G. BURNSIDE,  
EDWARD H. REES,  
HAROLD C. HAGEN,

*Members on the Part of the House.*

OLIN D. JOHNSTON,  
JOHN O. PASTORE,  
THOMAS R. UNDERWOOD,  
WILLIAM LANGER,  
FRANK CARLSON,

*Members on the Part of the Senate.*

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1046) to readjust postal rates, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House struck out all of the Senate bill after the enacting clause and inserted a substitute text. The Senate recedes from its disagreement to the House amendment with an amendment which is a substitute for both the Senate bill and the House amendment. Except for technical and minor

drafting changes, the differences between title I of the Senate bill, the House amendment, and title I of the conference substitute are explained below.

The Senate bill consisted of two titles: title I relating to the readjustment of postal rates and the establishment of a temporary Joint Committee on the Postal Service, and title II provided for a new annual and sick leave law for Government officers and employees. The House amendment related only to the readjustment of postal rates.

#### POSTAL RATES

Section 1 (a) of title I of the Senate bill increased the rate of postage on the first ounce, or fraction thereof, of letters and sealed parcels in first-class mail from 3 cents to 4 cents. The House amendment provided no such increase. The conference substitute does not provide for such increase in first-class mail rates.

Section 1 (c) of the Senate bill and section 1 (a) of the House amendment both increased the rate of postage on Government postal cards and private mailing or post cards, and on each portion of double Government postal cards, from 1 cent to 2 cents. The House amendment also imposed an additional charge of 10 percent on all single and double Government postal cards sold in quantities of one hundred or more. The conference substitute retains this additional charge of 10 percent on single and double Government postal cards, but provides that such charge shall apply with respect to all such cards which are sold in quantities of fifty or more.

Section 1 (d) of the Senate bill increased the rates of postage on the first ounce, or fraction thereof, of domestic air-mail letters and packages from 6 cents to 8 cents, and on air-mail Government postal cards and private mailing or post cards from 4 cents to 5 cents. The House amendment provided no such increase in air-mail rates. The conference substitute does not provide for such increases in air-mail rates.

Section 2 (a) of the Senate bill provided three permanent increases of 20 percent each in the total postage computed at the pound rates in effect under existing law on that portion of second-class mail sent outside the county of publication, the first 20 percent increase to take effect on the first day of the second quarter following the approval of the bill and the second and third such increases to take effect one and two years, thereafter, respectively, except that in the case of newspapers such increases shall be at the rate of 10 percent instead of 20 percent. In section 2 (a) of the House amendment, such permanent increases were limited to 10 percent in the case of all such second-class mail, including newspapers. The conference substitute adopts the provisions of the House amendment.

Section 2 (a) of the Senate bill further provided that publications having over 75 percent advertising in more than one-half of their issues during any twelve months' period shall be ineligible for second-class mailing privileges, except that a charge made solely for the publication of transportation schedules, fares, and related information shall not be construed to be a charge for advertising for the purpose of this provision. The House amendment contained the provision of the Senate bill which bars from second-class mailing privileges publications having over 75 percent advertising in more than one-half of their issues during any twelve months' period, but omitted the provision which excepts charges made solely for the publication of transportation schedules, fares, and related information from being construed as advertising charges. The conference substitute retains the provisions of the Senate bill.

Section 2 (a) of the Senate bill also contained a provision which continues in effect the existing second-class mail rates on pub-



lications maintained by and in the interests of non-profit religious, educational, scientific, philanthropic, agricultural, labor, or fraternal organizations or associations, and which extends such rates to veterans' organizations or associations not now entitled thereto, to temperance organizations or associations, and to service clubs. A further provision continued in effect the existing rates with respect to any religious, educational, or scientific publications designed specifically for use in school classrooms or religious instruction classes, whether or not the publisher is a nonprofit organization, and includes temperance publications within such categories of publications. The House amendment contained provisions to the same effect as those of the Senate bill, except that (1) temperance organizations or associations, service clubs, and temperance publications, are excluded from the House provisions, and (2) it is required that the publisher of any such publication, before being entitled to the existing rate, shall furnish to the Postmaster General proof of qualification at such times and in such manner as the Postmaster General may prescribe. The conference substitute retains the provisions of the House amendment. Since the word "temperance" does not appear in the language of the House amendment, the conference committee emphasizes that it is not necessary specifically to include in the second proviso of section 2 (a) of the conference substitute nonprofit temperance organizations or associations among the categories of nonprofit organizations and associations with respect to which the existing rates are to remain unchanged, for the reason that these nonprofit temperance organizations and associations may qualify as educational organizations and associations within the meaning of the language of the second proviso of section 2 (a) of the conference substitute.

Section 3 of the Senate bill provided for an increase in the minimum charge per piece in third-class matter mailed in bulk from 1 cent to 1½ cents, to take effect on the first day of the third calendar month following the calendar month of enactment of the bill, and a second increase in such minimum charge per piece to 1½ cents, to take effect one year after the effective date of the first increase. Section 3 of the House amendment provided for one increase in the minimum charge per piece on third-class bulk mailings to 1½ cents, effective on the same date as the date of the first of the two increases provided for by the Senate bill. The conference substitute retains the present minimum charge of 1 cent per piece until July 1, 1952, at which time this rate will be increased to 1½ cents per piece.

Section 3 of the Senate bill made no change in the existing minimum charge of 3 cents each for pieces of such size or form as to prevent ready facing and tying in bundles and requiring individual distributing. The House amendment increased the minimum charge for such pieces from 3 cents to 5 cents. The conference substitute retains the present rate of 3 cents for such odd size pieces in accordance with the Senate bill.

Section 3 of the Senate bill also provided that the existing rates on third-class matter, and not the increased rates prescribed by such section, shall continue to apply with respect to matter mailed by non-profit religious, educational, scientific, temperance, philanthropic, agricultural, labor, veterans' or fraternal organizations or associations, or service clubs. The House amendment contained no such provision. The conference substitute retains the provisions of the Senate bill except that the words "temperance" and "service clubs" are omitted.

Section 4 of the Senate bill provided rates of postage on fourth-class mail (except books) which are in excess of the rates which were in effect on September 30, 1951,

under section 204 (b) and (c) of the Postal Rate Revision and Federal Employees Salary Act of 1948, but less than the rates which became effective on October 1, 1951, by virtue of the Postmaster General's Order No. 46380. This order was the result of a provision in the Supplemental Appropriation Act, 1951 (Public Law 843, 81st Cong.), which, in effect, directed the Postmaster General to request the "consent of the Interstate Commerce Commission to the establishment of such rate increases \* \* \* as may be necessary to insure the receipt of revenue from fourth-class mail service sufficient to pay the cost of such service." Authority to fix fourth-class postage rates in this manner was granted by section 207 of the Act of February 28, 1925, as amended (39 U. S. C., sec. 247).

In addition to superseding the rates on postage on fourth-class mail which became effective on October 1, 1951, by virtue of the order of the Postmaster General, the Senate bill prevented any future change in such fourth-class rates except by action of the Congress.

Except in the case of books, the House amendment contained no such provisions with respect to fourth-class mail, thus permitting the rates (other than on books) fixed by the order of the Postmaster General to continue in effect.

Both the Senate bill and the House amendment retained the rates of postage in effect on September 30, 1951, with respect to books, and provided that such rates shall remain in effect until otherwise provided by Congress.

The conference substitute, like the House amendment, does not provide for any change in existing fourth-class mail rates. The conference committee points out, however, that the question of the advisability of continuing the method of fixing fourth-class postal rates by recommendation of the Postmaster General with the concurrence of the Interstate Commerce Commission will be explored by the Joint Committee on the Postal Service in its study of postal rates authorized by section 13 of the conference substitute.

Section 5 of the Senate bill and section 5 of the House amendment provided identical general increases in the fees charged in addition to the regular postage for special-delivery mail, except in the case of matter of the first-class weighing not more than two pounds. In that case the Senate bill increased the fee from 15 cents to 20 cents while the House amendment increased the fee to 23 cents. The conference substitute contains the rates of the Senate bill for such special-delivery items.

Section 12 of the House amendment authorizes the Postmaster General to prescribe by regulation from time to time the fees to be charged for the following special services: (1) registry of mail matter, (2) insurance of mail matter, or other indemnification of senders thereof for lost or damaged articles, (3) securing a signed receipt upon delivery of registered or insured mail matter and returning such receipt to sender, (4) collect-on-delivery service, (5) special-delivery service, (6) special-handling service, (7) issuance of money orders, and (8) notice to publishers of undeliverable second-class mail, notice of change of address, and notice to addressee or sender of undeliverable third- or fourth-class matter, or of undeliverable second-class matter mailed at the transient rate. The House amendment further provided that regulations issued by the Postmaster General with respect to prescribing such fees shall supersede, to the extent prescribed therein, existing laws, regulations, and orders governing the fees for the services covered thereby. The Senate bill did not contain such provisions. The conference substitute retains the provisions of the House amendment.

However, the conference committee points out that the method of fixing fees for the special services will be one of the subjects of the study to be conducted by the Joint Committee on the Postal Service.

#### JOINT COMMITTEE ON THE POSTAL SERVICE

Section 12 of title I of the Senate bill established a joint committee of the Congress, known as the Joint Committee on the Postal Service, to be composed of three members of the Committee on Post Offices and Civil Service of the Senate, appointed by the President of the Senate, and three members of the Committee on Post Office and Civil Service of the House of Representatives, appointed by the Speaker of the House.

The joint committee was charged with the duty of conducting a thorough study and investigation of the following matters relating to the Postal Service: (1) methods and means for the economical and efficient development and improvement of the postal system; (2) the justification for expenditures in excess of revenue, with respect to various postal services in the light of both the business and public service aspects of the Postal Service; (3) costs of handling, transporting, and distributing mail matter and procedures for reduction of such costs; (4) postal rates and charges; (5) the extent to which certain items of expenditures (including free postal services, international postal services, subsidies, and services performed for other Government departments and agencies or justified only on a national welfare basis) should be excluded in the consideration of the costs of certain postal services; (6) cost ascertainment; (7) cost analysis; and (8) such other matters relating to the efficient and economical development and improvement of the Postal Service as might be deemed pertinent to the objects and purposes of the study and investigation.

This section also provided for the appointment, by the Joint Committee on the Postal Service, of an advisory council of not more than twenty members to assist the joint committee in its study and investigation of the Postal Service. The membership of the advisory council included representatives of the general public, representative users of the mails, members of accounting and management engineering firms, postal experts, representatives of postal employee organizations, and representatives of public transportation and distribution organizations (appointed with special reference to rate-making in their fields). It was required that appointments as members of the advisory council be offered to officials of the Post Office Department and that the council should select its chairman from those members representing the general public. A member of the council in the executive branch of the Government was to receive the salary which he would normally receive for his services in the executive branch if he were not a member of the council plus such additional amount as may be necessary to make his total aggregate salary \$12,500 per annum. A member of the council from private life was to receive \$50 per diem when engaged in duties of the council. All members of the council were to be reimbursed for travel, subsistence, and other necessary expenses incurred in connection with their duties.

Section 12 also contained provisions granting the joint committee the subpoena power and the authority to procure necessary printing and binding, to appoint and fix the salaries of necessary personnel, to contract for the services of accounting and management engineering firms, and to employ certain part-time consultants and other experts at a rate not to exceed \$50 per diem. It was required that, insofar as practicable, the joint committee employ persons familiar with postal service operation, accounting prac-



tices, or public transportation and distribution problems, particularly rate making.

Section 12 also authorized the Joint Committee on the Postal Service to obtain directly from the Post Office Department, or any postal field office, information, suggestions, estimates, and statistics in conducting its study and investigation of the postal system; and such department or postal field office was authorized to furnish such assistance to the joint committee upon request of the chairman or vice chairman.

The joint committee was required to report, from time to time, to the Committee on Post Office and Civil Service of the Senate and the Committee on Post Office and Civil Service of the House of Representatives and to submit its final report to the Senate and House of Representatives, not later than January 15, 1953, of the results of its study and investigation, together with necessary recommendations for legislation. The Joint Committee on the Postal Service was to cease to exist upon the submission to the Congress of its final report.

Section 12 also authorized the appropriation of such sums as are necessary to carry out the purposes of the section, such sums to be disbursed by the Secretary of the Senate on vouchers approved by the chairman or vice chairman of the joint committee.

The House amendment contained no provision for a Joint Committee on the Postal Service.

The conference substitute retains the provisions and objectives of section 12 of the Senate bill with regard to the Joint Committee on the Postal Service with the following modifications and exceptions:

(1) The chairman of the Joint Committee is to be the chairman of the Committee on Post Office and Civil Service of the Senate and the vice chairman is to be the chairman of the Committee on Post Office and Civil Service of the House of Representatives;

(2) The provisions of the Senate bill covering the scope of the matters to be studied by the Joint Committee are revised so as to establish clearly that the studies of revenues, expenditures, methods, procedures, cost ascertainment, postal policies, etc., by the Joint Committee will relate to the problem of postal rates;

(3) The provisions of the Senate bill relating to the advisory council are eliminated;

(4) The compensation of personnel employed by the Joint Committee shall not exceed the maximum compensation payable under section 202 (e) of the Legislative Reorganization Act of 1946, as amended, in the case of employees of standing committees;

(5) The chairman and vice chairman of the Joint Committee may assign staff members of their respective committees to duties in connection with the operation of the Joint Committee;

(6) The sums authorized to be appropriated for the use of the Joint Committee are limited to \$100,000; and

(7) Appropriations for the use of the Joint Committee are to be disbursed on vouchers signed by both the chairman and the vice chairman of the Joint Committee.

#### APPLICATION TO GUAM

Pursuant to section 25 (b) of the Act of August 1, 1950 (Public Law 630, 81st Congress), providing that " \* \* \* no law of the United States \* \* \* shall have any force or effect within Guam unless specifically made applicable by Act of the Congress \* \* \* ", section 14 of the conference substitute makes the provisions of the conference substitute applicable to Guam.

The following is a discussion of title II of the Senate bill, relating to annual and sick leave, as changed by the conference substitute.

#### ANNUAL AND SICK LEAVE ACT OF 1951

Title II of the Senate bill constitutes a new annual and sick leave law for substantially all civilian officers and employees of the

United States and of the government of the District of Columbia.

Section 201 provides that the title may be cited as the "Annual and Sick Leave Act of 1951".

Section 202 extends the coverage of the law to all civilian officers and employees of the United States and of the government of the District of Columbia with the exception of certain specified categories of officers and employees who are exempted by reason of the special circumstances of their employment. These exempted officers and employees are (1) teachers and librarians of the public schools of the District of Columbia, (2) part-time officers and employees without a regular tour of duty in each administrative work-week, (3) temporary employees engaged on construction work at hourly rates, (4) employees of the Canal Zone Government and the Panama Canal Company when employed on the Isthmus of Panama, (5) commissioned officers of the Public Health Service, (6) commissioned officers of the Coast and Geodetic Survey, (7) doctors, dentists, and nurses in the Department of Medicine and Surgery of the Veterans' Administration, (8) officers and employees of the Senate and House of Representatives, and (9) officers and employees of any corporation under the supervision of the Farm Credit Administration of which corporation any member of the board of directors is elected or appointed by private interests. Since there is no intention to make the bill applicable to judges who have not heretofore been subject to the leave laws or who have their own separate leave system, the provision of the Senate bill repealing provisions of the Act of April 1, 1942, which relate to the leave of judges of the Municipal Court of the District of Columbia, were deleted. Officers and members of the Metropolitan Police and the Fire Department of the District of Columbia are subject to the annual-leave provisions of the law but are exempt from the sick-leave provisions.

Section 203 provides annual leave as follows: one-half day for each full biweekly pay period for officers and employees with less than three years of service, three-fourths day per biweekly pay period (except that the accrual for the last full biweekly pay period in any year shall be one and one-fourth days) for officers and employees with three but less than fifteen years of service, and one day per biweekly pay period for officers and employees with fifteen years or more of service. There is no credit of annual leave for fractional parts of biweekly pay periods either at the beginning or end of an employee's period of service. In the case of officers and employees who are not paid on the basis of biweekly pay periods, leave accrues on the same basis as it would accrue if such officers and employees were paid on a biweekly basis. Any change in the rate of accrual of leave by an officer or employee shall take effect at the beginning of the next succeeding pay period following the one in which he completes the prescribed period of service.

All service which could be creditable under section 5 of the Civil Service Retirement Act of May 29, 1930, as amended, for the purposes of an annuity under such Act shall be used in determining years of service for the purposes of section 203.

Annual leave which is not used by an officer or employee may accumulate for use in succeeding years in an amount not to exceed sixty days at the end of the last complete biweekly pay period in any year. A maximum accumulation of not in excess of ninety days at the end of the last complete biweekly pay period in any year is authorized with respect to certain categories of Federal employees stationed outside the several States and the District of Columbia. This means either fiscal or calendar year depending on whether the agency administers leave on a fiscal or calendar year basis.

Special leave provisions are provided for officers and employees in the Foreign Service of the United States under the Department of State. Such officers and employees may be granted leave of absence for use in the United States, its Territories or possessions, at a rate equivalent to one week for each four months of service outside the several States and the District of Columbia. Such leave may be accumulated without limitation, but any such leave which is not used during one or between two consecutive assignments outside the several States and the District of Columbia shall not be made the basis for any terminal leave or lump-sum payment.

In the case of officers and employees whose post of duty is outside the several States and the District of Columbia and who return to any such State or the District of Columbia travel time in going to and from their posts of duty shall not be charged against the leave of such officers and employees. However, this provision does not apply with respect to more than one period of leave in any twenty-four month period.

Section 203 also provides that no leave shall be credited to an officer or employee until he has been currently employed for a continuous period of ninety days under one or more appointments. The purpose of this provision is to prevent the granting of leave to employees who serve for periods of less than ninety days. When an officer or employee has completed ninety days of service he will be credited retroactively with leave for the entire period.

Annual leave with pay not in excess of the amount allowed employees who are citizens of the United States may, in the discretion of the head of the department or agency concerned, be granted alien employees occupying positions outside the several States and the District of Columbia.

Annual leave provided for in section 203, including such leave as will accrue to any officer or employee during the year, may be granted at any time during the year as may be prescribed by the heads of the various departments and independent establishments.

Section 204 provides sick leave for officers and employees on the basis of one-half day for each biweekly pay period. Sick leave shall accumulate without limit for use by the officer or employee. Section 204 also permits the advancement of not to exceed thirty days' sick leave in cases of serious disability or ailments and when required by the urgency of the situation.

Section 205 contains several technical provisions necessary for the proper administration of the new annual and sick leave law. Also, it provides that part-time officers and employees, unless otherwise excepted, shall be entitled to annual and sick leave on a pro rata basis.

Section 206 authorizes the Civil Service Commission to prescribe necessary rules and regulations for the administration of the new annual and sick leave law.

Section 207 repeals certain Acts and parts of Acts which are inconsistent with the new annual and sick leave law.

Section 208 provides that the amount of annual leave previously accumulated by an officer or employee, which is carried over into the period covered by the new annual and sick leave law and which is in excess of the maximum amount of accumulated annual leave allowable to such officer or employee under the new law, shall, notwithstanding such maximum allowable amount, remain to the credit of such officer or employee until such excess annual leave is used. The amount of any such excess annual leave of an officer or employee is reduced by that amount of annual leave used by him during any year which is in excess of the annual leave which accrued to him during that year.

Section 208 also makes provision for converting to a workday basis the calendar days



of leave to the credit of officers and employees previously subject to a leave system administered on a calendar-day basis by allowing credit, on the effective date of the new law, of five-sevenths days of leave on a work-day basis for each calendar day of leave to his credit on such date.

Section 208 further provides in subsection (d) that substitute employees in the postal field service (except substitute rural carriers), serving during the period from December 1, 1950, to January 6, 1952, under a temporary or indefinite appointment for not less than ninety days, shall be considered to have earned annual and sick leave during that period at the same rate as regular and substitute classified employees in the postal field service and shall receive appropriate credit for such annual and sick leave under the new annual and sick leave law. No provision is made under existing law for granting annual and sick leave to temporary employees in the postal field service. At the present time all appointments are made on a temporary or indefinite basis with the result that such employees may remain on the rolls for extended periods without opportunity to earn annual or sick leave.

The House recently considered this problem when it passed H. R. 3605, on June 4, 1951, which granted to substitute temporary and indefinite employees in the postal field service serving under appointments of not less than ninety days the same annual and sick leave benefits as enjoyed by regular and substitute classified employees in the postal field service. H. R. 3605 was not enacted into law. Since employees in the postal field service serving under a temporary or indefinite appointment of not less than ninety days are entitled to annual and sick leave benefits under the new annual and sick leave provisions of title II of the Senate bill, section 208 (d) merely carries out the purposes of H. R. 3605, as passed by the House, with appropriate changes in language to conform to the provisions of the new annual and sick leave law.

Section 209 provides that the Annual and Sick Leave Act of 1951, except paragraph (8) of section 207 (a), shall take effect on January 6, 1952. Such paragraph (8) is to take effect on the date of the enactment of the Independent Offices Appropriation Act, 1952. This paragraph repeals section 601 of such Act which provides (1) that no funds appropriated under such Act or any other Act shall be available to pay for annual leave accumulated by any civilian officer or employee during the calendar year 1951 and unused at the close of business on June 30, 1952, and (2) that no civilian officer or employee shall be entitled to earn annual leave at a rate in excess of twenty days per annum.

TOM MURRAY,  
GEORGE M. RHODES,  
M. G. BURNSIDE,  
EDWARD H. REES,  
HAROLD C. HAGEN,

*Managers on the Part of the House,*

#### INCREASING RATES OF COMPENSATION OF OFFICERS AND EMPLOYEES OF THE FEDERAL GOVERNMENT

Mr. MURRAY of Tennessee submitted the following conference report and statement:

##### CONFERENCE REPORT (H. REPT. No. 1212)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 622) to increase the basic rates of compensation of certain officers and employees of the Federal Government, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That (a) section 603 (b) and

##### "Grade

GS-1	2,500
GS-2	2,750
GS-3	2,950
GS-4	3,175
GS-5	3,410
GS-6	3,795
GS-7	4,205
GS-8	4,620
GS-9	5,060
GS-10	5,500
GS-11	5,940
GS-12	7,040
GS-13	8,360
GS-14	9,600
GS-15	10,800
GS-16	12,000
GS-17	13,000
GS-18	14,800

"(c) (1) The compensation schedule for the Crafts, Protective, and Custodial Schedule shall be as follows:

##### "Grade

CPC-1	\$1,810
CPC-2	2,420
CPC-3	2,552
CPC-4	2,750
CPC-5	2,974
CPC-6	3,200
CPC-7	3,435
CPC-8	3,740
CPC-9	4,150
CPC-10	4,565

"(2) Charwomen working part time shall be paid at the rate of \$2,700 per annum, and head charwomen working part time at the rate of \$2,840 per annum."

"(b) In adjusting initially the rates of pay of employees affected by the provisions of this section—

"(1) an employee receiving basic compensation immediately prior to the effective date of this Act at one of the scheduled or longevity rates provided by the Classification Act of 1949, as amended, shall receive basic compensation on and after the effective date of this Act at the corresponding scheduled or longevity rate as increased by this Act; and

"(2) an employee receiving basic compensation immediately prior to the effective date of this Act at a rate other than a scheduled or longevity rate provided by the Classification Act of 1949, as amended, shall receive basic compensation on and after the effective date of this Act as follows:

"(A) If his rate immediately prior to the effective date of this Act was less than the maximum longevity rate of the grade, he shall be paid at the scheduled or longevity rate which he would receive under paragraph (1) had he been receiving basic compensation immediately prior to such effective date at the scheduled or longevity rate next higher than his rate of basic compensation immediately prior to such effective date.

"(B) If his rate immediately prior to the effective date of this Act was in excess of the maximum longevity rate of the grade, he shall be paid at a rate equal to the rate at which he was paid immediately prior to such date, increased by an amount equal to the amount of the increase made by this Act in such maximum longevity rate.

"(C) If he is a part-time char employee and his rate immediately prior to the effective date of this Act was in excess of the rate provided for his position under section 603 (c) (2) of the Classification Act of 1949, as amended, he shall be paid at a rate equal to the rate at which he was paid immediately prior to such effective date, increased by an amount equal to the amount of the increase made by this Act in the rate for like positions under such section.

"(c) The rates of basic compensation of officers and employees in or under the judicial branch of the Government whose rates of compensation are fixed pursuant to section

section 603 (c) of the Classification Act of 1949, as amended, are amended to read as follows:

"(b) The compensation schedule for the General Schedule shall be as follows:

##### Per annum rates

\$2,580	\$2,660	\$2,740	\$2,820	\$2,900	\$2,980
2,830	2,910	2,990	3,070	3,150	3,230
3,030	3,110	3,190	3,270	3,350	3,430
3,255	3,335	3,415	3,495	3,575	3,655
3,535	3,660	3,785	3,910	4,035	4,160
3,920	4,045	4,170	4,295	4,420	4,545
4,330	4,455	4,580	4,705	4,830	4,955
4,745	4,870	4,995	5,120	5,245	5,370
5,185	5,310	5,435	5,560	5,685	5,810
5,625	5,750	5,875	6,000	6,125	6,250
6,140	6,340	6,540	6,740	6,940	
7,240	7,440	7,640	7,840	8,040	
8,560	8,760	8,960	9,160	9,360	
9,800	10,000	10,200	10,400	10,600	
11,050	11,300	11,550	11,800		
12,200	12,400	12,600	12,800		
13,200	13,400	13,600	13,800		

##### Per annum rates

\$1,870	\$1,930	\$1,990	\$2,050	\$2,110	\$2,170
2,490	2,560	2,630	2,700	2,770	2,840
2,632	2,712	2,792	2,872	2,952	3,032
2,830	2,910	2,990	3,070	3,150	3,230
3,054	3,134	3,214	3,294	3,374	3,454
3,280	3,360	3,440	3,520	3,600	3,680
3,535	3,635	3,735	3,835	3,935	4,035
3,865	3,990	4,115	4,240	4,365	4,490
4,275	4,400	4,525	4,650	4,775	4,900
4,690	4,815	4,940	5,065	5,190	5,315

62 (2) of the Bankruptcy Act (11 U. S. C. 102 (a) (2)), section 3656 of title 18 of the United States Code, the second and third sentences of section 603, section 604 (5), or sections 672 to 675, inclusive, of title 28 of the United States Code, or who are appointed pursuant to section 792 (b) of title 28 of the United States Code, are hereby increased by amounts equal to the increases provided by subsections (a) and (b) in corresponding rates of compensation paid to officers and employees subject to the Classification Act of 1949.

"(d) The limitations of \$9,600 and \$13,050 with respect to the aggregate salaries payable to secretaries and law clerks of circuit and district judges, contained in the sixteenth paragraph under the head 'Miscellaneous salaries' in the Judiciary Appropriation Act, 1951 (Public Law 759, Eighty-first Congress), or in any subsequent appropriation Act, shall be increased by the amounts necessary to pay the additional basic compensation provided by this Act.

"(e) Section 701 of the Classification Act of 1949, as amended, is amended by inserting '(a)' after 'Sec. 701' and by adding at the end thereof the following new subsection:

"(b) Any increase in compensation granted by law after June 30, 1951, shall not be construed to be an equivalent increase in compensation within the meaning of subsection (a)."

"Sec. 2. (a) Each officer and employee in or under the legislative branch of the Government (other than an employee in the office of a Senator) whose rate of compensation is increased by section 5 of the Federal Employees Pay Act of 1946 shall be paid additional compensation at the rate of 10 per centum of the aggregate rate of his basic compensation and the rate of the additional compensation received by him under sections 501 and 502 of the Federal Employees Pay Act of 1945, as amended, section 301 of the Postal Rate Revision and Federal Employees Salary Act of 1948, and the provisions under the heading 'Increased pay for legislative employees' in the Second Supplemental Appropriation Act, 1950, except that (1) no such officer or employee shall be paid additional compensation at a rate less than \$300 per annum or in excess of \$800 per annum, and (2) employees paid on an hourly or



part-time basis shall be paid additional compensation at the rate of 20 cents per hour.

"(b) The provisions of section 603 (b) of the Federal Employees Pay Act of 1945, as amended, section 7 (b) of the Federal Employees Pay Act of 1946, as amended, section 303 (c) of the Postal Rate Revision and Federal Employees Salary Act of 1948, and the provisions of paragraph (b) under the heading 'Increased pay for legislative employees' in the Second Supplemental Appropriation Act, 1950, shall not apply to officers or employees subject to the provisions of subsection (a) or to employees in the offices of Senators, but no such officer or employee, or any other officer or employee of the Senate or House of Representatives, shall be paid with respect to any pay period basic compensation or basic compensation plus additional compensation at a rate in excess of \$11,646 per annum unless expressly authorized by law.

"(c) (1) The aggregate amount of the basic compensation authorized to be paid for administrative and clerical assistance and messenger service in the offices of Senators is hereby increased by—

"(A) \$4,140 in the case of Senators from States the population of which is less than three million;

"(B) \$4,860 in the case of Senators from States the population of which is three million or more but less than five million;

"(C) \$5,220 in the case of Senators from States the population of which is five million or more but less than ten million; and

"(D) \$5,760 in the case of Senators from States the population of which is ten million or more.

"(2) The second proviso in the paragraph relating to the authority of Senators to rearrange the basic salaries of employees in their respective offices, which appears in the Legislative Branch Appropriation Act, 1947, as amended (2 U. S. C. 60f), is amended by striking out '\$5,280' and inserting in lieu thereof '\$5,880'; and by striking out '\$6,720' and inserting in lieu thereof '\$7,320'.

"(3) Notwithstanding the third proviso in such paragraph any increase in the compensation of an employee in a Senator's office shall take effect on the effective date of this Act or on the date such employee became employed, whichever is later, if (A) the certification filed by such Senator under such proviso so provides, (B) such certification is filed in the disbursing office of the Senate not later than November 30, 1951, and (C) the amount of such increase does not exceed the amount of the increase which would be payable in the case of such employee if he were subject to the provisions of subsection (a) of this section.

"(d) The provisions of subsection (a), and the provisions of law referred to in such subsection, shall not apply to employees whose compensation is paid from the appropriation contained in the paragraph designated 'Folding documents' under the heading 'Contingent expenses of the Senate' in the Legislative Branch Appropriations Act.

"(e) The rates of basic compensation of each of the elected officers of the Senate and the House of Representatives (not including the presiding officers of the two Houses), the Parliamentarian of the Senate, the Parliamentarian of the House of Representatives, the legislative counsel of the Senate, the legislative counsel of the House of Representatives, and the Coordinator of Information of the House of Representatives are hereby increased by 10 per centum, except that in no case shall any such rate be increased by less than \$300 per annum or by more than \$800 per annum.

"Sec. 3. Section 66 of the Farm Credit Act of 1933 (48 Stat. 269) is hereby amended to read as follows:

"Sec. 66. No director, officer, or employee of the Central Bank for Cooperatives, or of any production credit corporation, produc-

tion credit association, or bank for cooperatives shall be paid compensation at a rate in excess of \$13,800 per annum."

"Sec. 4. (a) The rates of basic compensation of officers and employees in the Department of Medicine and Surgery in the Veterans' Administration whose rates of basic compensation are provided by Public Law 293, Seventy-ninth Congress, approved January 3, 1946, as amended, are hereby increased by 10 per centum, except that in no case shall any such rate be increased by less than \$300 per annum or by more than \$800 per annum.

"(b) Section 8 (d) of Public Law 293, Seventy-ninth Congress, as amended, is amended by striking out '\$12,000' and inserting in lieu thereof '\$12,800'.

"Sec. 5 (a) The rates of basic compensation provided by sections 412 and 415 of the Foreign Service Act of 1946, as amended, are hereby increased by 10 per centum, except that in no case shall any such rate be increased by less than \$300 per annum, or by more than \$800 per annum.

"(b) The Bureau of the Budget and the Civil Service Commission are authorized and directed to transmit to the Post Office and Civil Service Committees of the Senate and House of Representatives on or before April 1, 1952, a report on pay and personnel practices being followed in overseas areas by all departments and agencies of the Federal Government, including the Foreign Service of the State Department.

"Sec. 6. (a) This Act shall become effective as of the first day of the first pay period which began after June 30, 1951.

"(b) Retroactive compensation or salary shall be paid under this Act only in the case of an individual in the service of the United States (including service in the Armed Forces of the United States) or of the municipal government of the District of Columbia on the date of enactment of this Act, except that such retroactive compensation or salary shall be paid a retired officer or employee for services rendered during the period beginning with the first day of the first pay period which began after June 30, 1951, and ending with the date of his retirement."

And the House agree to the same.

TOM MURRAY,  
JAMES C. DAVIS,  
JOHN WHITAKER,  
EDWARD H. REES,  
KATHARINE ST. GEORGE,

*Members on the Part of the House.*

OLIN D. JOHNSTON,  
JOHN O. PASTORE,  
MIKE MONRONEY,  
JOHN M. BUTLER,

*Members on the Part of the Senate.*

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 622) to increase the basic rates of compensation of certain officers and employees of the Federal Government, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment strikes out all of the Senate bill after the enacting clause. The committee of conference recommends that the Senate recede from its disagreement to the amendment of the House, with an amendment which is a substitute for both the Senate bill and the House amendment, and that the House agree to the same.

Except for the differences noted in the following statement, the conference substitute is the same as the House amendment.

Subsection (a) of the first section of the House amendment amends the compensation schedules in section 603 (b) and section 603 (c) of the Classification Act of 1949, as

amended (including the annual full-time rates for part-time charwomen), by increasing each per annum rate in such schedules by \$400. Subsection (a) of the first section of the conference substitute amends such schedules by increasing the minimum rate of each grade by 10 percent and the resulting increase is applied uniformly to every other rate in the grade. However, no rate is increased less than \$300 or more than \$800. The annual full-time rate for part-time charwomen is increased by \$300.

Subsection (c) of the first section of the conference substitute provides that the rates of basic compensation of certain officers and employees in the judicial branch of the Government shall be increased by amounts equal to the increases provided by the conference substitute at corresponding rates of compensation paid to officers and employees subject to the Classification Act of 1949, as amended. This subsection was not contained in the House amendment, since the compensation of most of the officers and employees covered by the subsection may be fixed by administrative action. The subsection does not specifically cover United States court reporters, but the committee of conference feels strongly that the Judicial Conference should adjust the salaries of these court reporters to conform to the increases provided by the conference substitute. This subsection was contained in the Senate bill.

Section 2 (a) of the House amendment provides that each officer and employee in or under the legislative branch of the Government whose rate of compensation is increased by section 5 of the Federal Employees Pay Act of 1946 shall be paid additional compensation of \$400 per annum or 10 percent, whichever is higher, with the limitation that no increase for any individual shall exceed \$800 per annum. Additional compensation for hourly or part-time employees is fixed at the rate of 20 cents per hour. Section 2 (a) of the conference substitute provides that such legislative officers and employees (except employees in the office of Senators) shall be paid additional compensation at the rate of 10 percent of their gross compensation, except that no such officer or employee shall receive an increase in rate of compensation of less than \$300 per annum or more than \$800 per annum. Additional compensation for hourly or part-time employees remains at the rate fixed by the House amendment, namely 20 cents per hour.

Section 2 (b) of the House amendment places a ceiling of \$11,246 per annum on the aggregate rate of compensation payable to officers and employees in or under the legislative branch who are subject to section 2 (a). Section 2 (b) of the conference substitute provides for a ceiling of \$11,646 per annum on the aggregate rate of compensation of (1) such officers and employees, (2) employees in the offices of Senators, and (3) any other officers or employees of the Senate and House of Representatives, unless a higher rate of compensation is expressly authorized by law.

Section 2 (c) of the conference substitute is included in order that Senators may, if they wish, grant to employees in their own offices (who are excluded from the provisions of section 2 (a)) increases corresponding to those provided for other legislative employees under section 2 (a). Paragraph (1) of section 2 (c) increases the clerk hire allotments of Senators by an amount sufficient to pay such increases; paragraph (2) of such section raises the existing ceilings on base pay of employees in Senators' offices by an amount sufficient to permit the making of such increases; and paragraph (3) of such section authorizes Senators to make such increases retroactive to July 1.

Section 2 (d) of the conference agreement provides that the increases in the rates of compensation granted by section 2 (a) shall









10 percent. Now it is my understanding that as to those who might be in our employ, for instance, as secretaries, the \$300 applies to those who are getting \$3,000 or under.

Mr. REES of Kansas. That is correct.

Mr. SMITH of Wisconsin. And those that are getting 10 percent or a maximum of \$800 are in the \$3,000 class and above.

Mr. REES of Kansas. That is correct.

Mr. SMITH of Wisconsin. Does that affect the base pay or the over-all?

Mr. REES of Kansas. That total amount that the employee receives. If the employee receives \$4,000, he will receive \$400 more than he presently receives annually.

Mr. SMITH of Wisconsin. I am wondering did your committee consider how much of this increase is going to come back to the Government in taxes?

Mr. REES of Kansas. It gave some consideration to it, but I cannot, of course, give you any estimate of how much that will amount to. Of course, some of it will be returned in taxes, especially from those who are in the higher brackets.

Mr. SMITH of Wisconsin. I thank the gentleman.

Mr. LECOMPTE. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Iowa.

Mr. LECOMPTE. Does this legislation deal with the subject of annual leave?

Mr. REES of Kansas. This legislation does not provide for annual leave. That is treated in another bill.

Mr. LECOMPTE. Is that coming up?

Mr. REES of Kansas. That is correct.

I should add that the provision included in the Senate bill that created considerable discussion with respect to foreign service employees, by putting them under Civil Service as such, was stricken from the Senate bill.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Did I correctly understand the gentleman to say that there are certain employees in the Veterans Bureau and elsewhere that are not covered by this bill?

Mr. REES of Kansas. No, I did not say that. They are included.

Mr. AUGUST H. ANDRESEN. It covers all of them?

Mr. REES of Kansas. That is correct.

(Mr. REES of Kansas asked and was given permission to revise and extend his remarks.)

(Mr. McCORMACK asked and was given permission to insert at this point in the RECORD the following statement and table:)

GENERAL PAY STATUTES INCREASING OR REDUCING BASE PAY RATES OF SALARIED FEDERAL EMPLOYEES OUTSIDE THE POSTAL SERVICE, 1908 TO JUNE 30, 1951

During the period from 1908 to July 1, 1924, when the Classification Act of 1923 became effective, there was no comparable Federal pay statute of general application. Consequently, there was no legislation providing for revision of existing salary schedules during this period comparable to subsequent revisions in Classification Act salary schedules. The only pay legislation during these years that was at all comparable to such revisions provided additional compensation, commonly referred to as "bonuses."

General pay legislation since 1908 providing salary increases or decreases for salaried employees outside the postal service (including statutes providing such so-called bonuses) and the administration in power at the time are shown by the following tabulation:

Statute and effective date of pertinent provisions	Increase or reduction provided	President on date of enactment
Act of Mar. 3, 1917, amended June 12, 1917, effective during fiscal year 1918.	10-percent increase for employees at salaries below \$1,200, and 5-percent increase for employees at salaries not less than \$1,200 and not more than \$1,800.	President Woodrow Wilson.
Act of July 3, 1918, effective during fiscal year 1919.	In place of percentages added during fiscal year 1918. \$120 increase for employees at salaries of \$2,500 or less, and all salaries between \$2,500 and \$2,620 increased to \$2,620.	Do.
Acts of Mar. 1, 1919; May 29, 1920; Mar. 3, 1921; June 29, 1922; and Mar. 4, 1923. Effective during fiscal years 1920-24, inclusive.	In place of amounts granted during fiscal year 1919. \$240 increase for employees at salaries of \$2,500 or less, and all salaries between \$2,500 and \$2,740 increased to \$2,740.	Do.
Classification Act of Mar. 4, 1923, effective July 1, 1921.	Increase in salaries was an incidental result of this act. Average increase per employee, \$67 or 4 percent, in the departmental service; field service data not available.	President Warren G. Harding.
Welch Act of May 28, 1928, effective July 1, 1928.	Increased Classification Act salary rates. Average increase per employee, \$151 or 8.2 percent.	Do.
Brookhart Act of July 3, 1930, effective that date.	Increased Classification Act maximum rates of some grades. Data on average increase not available.	President Calvin Coolidge.
Act of June 30, 1932, effective during fiscal year 1933.	Employees with salaries in excess of \$1,000 a year furloughed without pay for 1 calendar month. Resulted in reduction of 8 1/3 percent in annual pay.	President Herbert C. Hoover.
Act of Mar. 20, 1933, effective Apr. 1, 1933.	Salaries reduced by the percentage of decrease in the cost of living as compared with the 6 months ending June 30, 1933, but not to exceed 15 percent. Resulted in reduction of 15 percent in annual salary rates.	Do.
Act of Mar. 28, 1934, effective Feb. 1, 1934.	Limit on cost-of-living reduction changed from 15 to 10 percent during the portion of fiscal year 1934 beginning Feb. 1, 1934, and to 5 percent during fiscal year 1935. In place of prior 15-percent reduction, resulted in reduction of 10 percent in annual salary rates from Feb. 1, 1934, to July 1, 1934, and 5-percent reduction thereafter.	President Franklin D. Roosevelt.
Joint resolution of Feb. 13, 1935, effective Apr. 1, 1935.	Eliminated cost-of-living reduction entirely.	Do.
Custodial Pay Act of Aug. 1, 1942, effective that date.	Increased Classification Act rates for first 8 grades of crafts, protective, and custodial schedule and first 2 grades of subprofessional schedule. Among entire Classification Act group, average increase per employee, 1.1 percent.	Do.
Federal Employees Pay Act of 1945, effective July 1, 1945.	Increased Classification Act and certain other statutory salary rates by 20 percent on the first \$1,200, 10 percent on next \$3,400, and 5 percent on remainder. Minimum rate of lowest grade increased 20 percent. Maximum rate of highest grade increased 8.9 percent. Average increase per employee, 15.9 percent.	President Harry S. Truman.
Federal Employees Pay Act of 1946, effective July 1, 1946.	Increased Classification Act and certain other statutory salary rates by 14 percent or \$250 a year, whichever was greater, but not more than 25 percent. Minimum rate of lowest grade increased 25 percent. Maximum rate of highest grade increased 2.0 percent. Average increase per employee, 14.2 percent.	Do.
Postal Rate Revision and Federal Employees Salary Act of 1948, effective first pay period beginning after June 30, 1948.	Increased Classification Act and certain other statutory salary rates by \$330 a year. Minimum rate of lowest grade increased 30.6 percent. Maximum rate of highest grade increased 3.3 percent. Average increase per employee, 11 percent.	Do.
Classification Act of 1949, effective first pay period beginning after Oct. 28, 1949.	Increase in Classification Act salary rates was an incidental result of this act. Minimum rate of lowest grade increased 7.1 percent. Maximum rate of grade 15 increased 6.5 percent. <sup>1</sup> Average increase per employee, 4.1 percent.	Do.

<sup>1</sup> Grade GS-15 of the schedules of the Classification Act of 1949 is equivalent to the highest grade in which agencies or the Commission could classify positions prior to this act. The 1949 act established, in addition, grades GS-16, GS-17, and GS-18, but limited the number of positions which might be placed in these new grades.

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. WOLVERTON. Mr. Speaker, the conference report now before the House provides an increase of compensation to Federal employees of not less than \$300 for those having salaries of

\$3,000 or less, and 10 percent to those above that amount with a maximum not to exceed \$800.

For a long time it has been realized that some action should be taken by Congress to increase the pay of Federal employees so as to bring them in line with the ever increasing cost of living due to the inflationary conditions that now exist. Furthermore, we must realize that if the administration succeeds in its present plan to increase income taxes it will mean a serious condition to be

faced by Federal employees on the basis of present salaries.

It is right and just that Congress should give recognition to the need that exists in this matter. The delay in meeting this obligation is no longer justified. I will give my support to the conference report that provides this necessary increase.

I trust the conference report will have the approval of the House.

Mr. MURRAY of Tennessee. Mr. Speaker, I move the previous question.



The previous question was ordered.

The SPEAKER. The question is on the conference report.

Mr. MURRAY of Tennessee. On that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 317, nays 26, not voting 85, as follows:

[Roll No. 212]

YEAS—317

Abblitt	Dingell	Keating
Abernethy	Dollinger	Kee
Adair	Dolliver	Kelly, N. Y.
Addonizio	Donohue	Kerr
Albert	Donovan	Kersten, Wis.
Allen, Ill.	Dorn	Kilday
Andersen,	Doughton	King
H. Carl	Doyle	Kirwan
Andresen,	Durham	Klein
August H.	Eberharter	Kluczynski
Anfuso	Elliott	Lane
Arends	Ellsworth	Lanham
Aspinall	Elston	Lantaff
Auchincloss	Evins	Larcade
Ayres	Fallon	LeCompte
Bailey	Feighan	Lesinski
Baker	Fenton	Lind
Bakewell	Fernandez	Lovte
Barden	Fisher	McCarthy
Barrett	Flood	McConnell
Bates, Mass.	Forand	McCormack
Battle	Ford	McCulloch
Beall	Forrester	McGregor
Beamer	Frazier	McGuire
Beckworth	Fugate	McKinnon
Belcher	Fulton	McMullen
Bender	Furcolo	Machrowicz
Bennett, Fla.	Gamble	Mack, Wash.
Bennett, Mich.	Garmatz	Madden
Bentsen	Gary	Magee
Berry	Gavin	Mahon
Betts	Goodwin	Mansfield
Bishop	Gordon	Marshall
Blatnik	Gore	Martin, Mass.
Boggs, Del.	Graham	Meador
Bolling	Granahan	Merrow
Bolton	Grant	Miller, Md.
Bonner	Green	Miller, N. Y.
Bow	Greenwood	Mills
Boykin	Gregory	Mitchell
Bray	Gwinn	Morano
Brehm	Hale	Morgan
Brown, Ga.	Hall	Morris
Brownson	Edwin Arthur	Morton
Bryson	Hall	Moulder
Buchanan	Leonard W.	Multer
Buckley	Hand	Mumma
Budge	Harden	Murdock
Burdick	Hardy	Murray, Tenn.
Burleson	Harris	Nicholson
Burnside	Harrison, Wyo.	Norblad
Burton	Hart	Norrell
Bush	Harvey	O'Brien, Ill.
Butler	Havener	O'Brien, Mich.
Byrne, N. Y.	Hays, Ohio	O'Hara
Byrnes, Wis.	Hedrick	O'Konski
Camp	Heffernan	O'Neill
Canfield	Heller	Ostertag
Cannon	Herter	O'Toole
Carlyle	Heseltun	Patman
Carnahan	Hill	Patten
Case	Hillings	Patterson
Celler	Hinshaw	Philbin
Chatham	Hoeven	Pickett
Chelf	Hoffman, Ill.	Poage
Chenoweth	Holifield	Polk
Chipfield	Holmes	Potter
Chudoff	Hope	Preston
Church	Horan	Price
Clemente	Howell	Priest
Cole, Kans.	Hull	Rabaut
Colmer	Ikard	Radwan
Cooley	Jackson, Wash.	Rains
Cooper	James	Ramsay
Corbett	Jarman	Reams
Cotton	Jayvis	Reece, Tenn.
Coudert	Jehison	Reed, Ill.
Cox	Jenkins	Rees, Kans.
Crosser	Jonas	Rhodes
Crumpacker	Jones, Ala.	Riehlman
Cunningham	Jones, Mo.	Riley
Curtis, Mo.	Jones,	Rivers
Davis, Ga.	Hamilton C.	Roberts
Davis, Tenn.	Jones,	Robeson
Deane	Woodrow W.	Rodino
DeGraffenried	Judd	Rogers, Colo.
Denny	Karsten, Mo.	Rogers, Mass.
Denton	Kean	Rogers, Tex.
Devercux	Kearns	Rooney

Sadlak  
St. George  
Sasser  
Saylor  
Schwabe  
Scott, Hardie  
Scott,  
Hugh D., Jr.  
Scrivner  
Scudder  
Secrest  
Seely-Brown  
Sheehan  
Simpson, Ill.  
Simpson, Pa.  
Sittler  
Smith, Va.  
Smith, Wis.  
Spence  
Springer

Staggers  
Stanley  
Steed  
Stigler  
Sutton  
Tackett  
Talle  
Taylor  
Teague  
Thomas  
Thompson,  
Mich.  
Thompson, Tex.  
Tollefson  
Trimble  
Vall  
Van Pelt  
Van Zandt  
Vorys  
Walter

Welchel  
Welch  
Wharton  
Whitaker  
Widnall  
Wier  
Wigglesworth  
Williams, Miss.  
Williams, N. Y.  
Willis  
Wilson, Ind.  
Winstead  
Withrow  
Wolcott  
Wolverton  
Wood, Idaho  
Yates  
Yorty

Mr. Granger with Mr. Murray of Wisconsin.  
Mr. Kelley of Pennsylvania with Mr. Reams.  
Mr. Hébert with Mr. Angell.

Mr. HAYS of Ohio changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

(Mr. COLMER asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. COLMER addressed the House. His remarks will appear hereafter in the Appendix.]

NAYS—26

Andrews  
Buffett  
Clevenger  
Curtis, Nebr.  
Gathings  
George  
Gross  
Halleck  
Hoffman, Mich.

Jensen  
Kilburn  
McVey  
Mason  
Miller, Nebr.  
Nelson  
Rankin  
Reed, N. Y.  
Shafer

Smith, Kans.  
Smith, Miss.  
Stockman  
Taber  
Velde  
Vursell  
Wheeler  
Whitten

NOT VOTING—85

Aandahl  
Allen, Calif.  
Allen, La.  
Anderson, Calif.  
Angell  
Armstrong  
Baring  
Bates, Ky.  
Blackney  
Boggs, La.  
Bosone  
Bramblett  
Brooks  
Brown, Ohio  
Busbey  
Cole, N. Y.  
Combs  
Crawford  
Dague  
Davis, Wis.  
Dawson  
Delaney  
Dempsey  
D'Ewart  
Dondero  
Eaton  
Engle  
Fine  
Fogarty

Golden  
Granger  
Hagen  
Harrison, Va.  
Hays, Ark.  
Hébert  
Herlong  
Hess  
Hunter  
Irving  
Jackson, Calif.  
Johnson  
Kearney  
Kelley, Pa.  
Kennedy  
Keogh  
Latham  
Lucas  
Lyle  
McDonough  
McGrath  
McMillan  
Mack, Ill.  
Martin, Iowa  
Miller, Calif.  
Morrison  
Murphy  
Murray, Wis.  
Passman

Perkins  
Phillips  
Poulson  
Powell  
Prouty  
Quinn  
Redden  
Regan  
Ribicoff  
Richards  
Rogers, Fla.  
Roosevelt  
Sabath  
Shelley  
Sheppard  
Short  
Sieminski  
Sikes  
Thornberry  
Vinson  
Watts  
Werdel  
Wickersham  
Wilson, Tex.  
Wood, Ga.  
Woodruff  
Zablocki

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Vinson with Mr. Allen of California.  
Mr. Herlong with Mr. Armstrong.  
Mr. Rogers of Florida with Mr. Kearney.  
Mr. Hays of Arkansas with Mr. Latham.  
Mr. Morrison with Mr. Hagen.  
Mr. Engle with Mr. Dondero.  
Mr. Fine with Mr. Eaton.  
Mr. Miller of California with Mr. Davis of Wisconsin.  
Mr. Quinn with Mr. Phillips.  
Mr. Delaney with Mr. Short.  
Mr. Dempsey with Mr. Werdel.  
Mr. Zablocki with Mr. Anderson of California.  
Mr. Bates of Kentucky with Mr. Aandahl.  
Mr. Watts with Mr. Blackney.  
Mr. Boggs of Louisiana with Mr. Johnson.  
Mrs. Bosone with Mr. Hess.  
Mr. Brooks with Mr. Golden.  
Mr. Keogh with Mr. Cole of New York.  
Mr. Murphy with Mr. Busbey.  
Mr. Roosevelt with Mr. McDonough.  
Mr. Passman with Mr. Martin of Iowa.  
Mr. Perkins with Mr. Poulson.  
Mr. Thornberry with Mr. Woodruff.  
Mr. Sieminski with Mr. Jackson of California.  
Mr. Baring with Mr. Crawford.  
Mr. Shelley with Mr. Bramblett.  
Mr. McGrath with Mr. Hunter.  
Mr. Sikes with Mr. D'Ewart.  
Mr. Regan with Mr. Prouty.  
Mr. Redden with Mr. Brown of Ohio.

#### READJUSTMENT OF POSTAL RATES

Mr. MURRAY of Tennessee. Mr. Speaker, I call up the conference report on the bill (S. 1046) to readjust postal rates, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. TRIMBLE). Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of October 18, 1951.)

(Mr. MURRAY of Tennessee asked and was given permission to revise and extend his remarks.)

Mr. MURRAY of Tennessee. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, it is the purpose of this legislation to provide an adjustment in postal rates in order to increase revenue to the Post Office Department. Under the conference agreement there is no increase provided for first-class letter mail nor air mail. Government postal cards and private mailing cards will be increased to 2 cents with an additional 10 percent surcharge on the Government postal cards when they are purchased in quantities of 50 or more. Drop letters will be increased to 2 cents from the present rate of 1 cent.

The rates on second-class mail will remain the same within the county of publication. Outside the county of publication the present rates on second-class mail will receive a permanent increase of 30 percent applied in three annual increases of 10 percent each beginning April 1, 1952.

There will be no increase in the rates on publications maintained by and in the interest of nonprofit religious, education, scientific, philanthropic, veterans', labor, or fraternal organizations. Transient second-class mail is increased by 1 cent per piece.

The major increase in third-class bulk mail is an increase from the present rate of 1 cent to 1½ cents per piece. This increase will be effective July 1, 1952. There will also be an increase of ½ cent per piece on individual pieces of books and catalogs of 24 pages or more, seeds, cuttings, etc., not mailed under the bulk mailing privilege. Other rates and fees in third-class mail remain unchanged. These other rates were increased January 1, 1949.



The conference agreement does not contain any changes in the rates on fourth-class mail since these rates were changed by the Postmaster General with the concurrence of the ICC, effective October 1, 1951. The conference agreement also leaves in effect the authority of the Postmaster General to set the rates on parcel post and catalogs with the concurrence of the ICC.

Books which are also parcel post will remain at their present rates which were not increased on October 1, 1951.

The fees for most of the special services are increased under the conference agreement in accordance with the increases recommended by the Postmaster General except in the case of special-delivery mail, the increase for first-class special-delivery items weighing less than 2 pounds is increased to 20 cents rather than 23 cents as recommended by the Postmaster General.

The conference agreement also provides that the Postmaster General may in the future establish the rates so they will pay their own way on these special services.

The conference agreement includes a provision establishing a joint committee on the postal service to study and investigate matters relating to the problem of postal rates. One hundred thousand dollars is authorized for this activity and a report is to be submitted to the Congress not later than January 15, 1953.

The conference agreement contains an amendment providing for a graduated leave system for employees in the executive branch of the Government as follows: 13 days' leave for employees with less than 3 years' service, 20 days' leave for employees with 3 but less than 15 years' service and 26 days' leave for employees with 15 years or more service. Thirteen days' sick leave per year is granted all employees, regardless of length of service.

With regard to postal rates, the provisions of the agreement are substantially the same as contained in the bill as it passed the House. It includes, as I have indicated, two additional provisions, one for a joint committee on the postal service and the other is a graduated leave system for all Federal employees.

Mr. SMITH of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Tennessee. I yield.

Mr. SMITH of Wisconsin. Are the leaves cumulative or must they be used within the year?

Mr. MURRAY of Tennessee. They are cumulative. There is no provision that they must be used within the year. Under this report there is no maximum amount of accumulation for sick leave, but there is a maximum accumulation of 60 days on the annual leave.

Mr. Speaker, I yield 5 minutes to the gentleman from Kansas [Mr. REES].

(Mr. REES of Kansas asked and was given permission to revise and extend his remarks.)

Mr. REES of Kansas. Mr. Speaker, the conference agreement on this bill has been explained by the chairman of

this committee. The House committee has spent a great deal of time, effort, and energy in trying to work out satisfactory legislation in dealing with this problem of increased postal rates. It is quite similar in some respects to the work of the Committee on Ways and Means, because when efforts are made to increase the postal rates and fees there is some resistance. I want to say again to the members of our committee that I appreciate the efforts which were put forth in dealing with this problem.

The bill which has been approved by the committee of the conference contains almost the same provisions as were contained in the House bill.

The rate on post cards is increased to 2 cents. First-class letter mail, which has been discussed so much, pays its way. However, even under the increased rate, post cards will not pay their way under cost ascertainment. The other body increased letter mail to 4 cents. To me, such action is out of line and unfair, especially in view of rates accorded other classes of mail. Second-class mail deals, of course, with newspapers and magazines. There is, according to cost ascertainment, a deficit of approximately \$200,000,000 in this item. Under this bill we will raise enough to reduce the second-class deficit approximately \$12,000,000 annually at the end of 3 years. The chairman explained that we still exempt from increase publications of nonprofit, religious, educational, scientific, philanthropic, agricultural, labor, veterans, and fraternal organizations. There was a considerable amount of discussion with respect to publications of temperance organizations. It was agreed by the conference committee, and generally understood, that those publications will be granted preferential rates because they come under what is known as education publications. The conference report confirms my statement. It reads in part as follows:

Since the word "temperance" does not appear in the language of the House amendment, the conference committee emphasizes that it is not necessary specifically to include in the second proviso of section 2 (a) of the conference substitute nonprofit temperance organizations or associations among the categories of nonprofit organizations and associations with respect to which the existing rates are to remain unchanged, for the reason that these nonprofit temperance organizations and associations may qualify as educational organizations and associations within the meaning of the language of the second proviso of section 2 (a) of the conference substitute.

Mr. SMITH of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. I yield to the distinguished gentleman from Wisconsin, who has always shown special interest in this legislation.

Mr. SMITH of Wisconsin. I am wondering about these classifications. For instance, some of our large fraternal organizations, and veteran organizations have national magazines from which a considerable amount of income is derived through advertising. Are they considered in the educational group or not?

Mr. REES of Kansas. Although some of us thought there might be abuses, the House approved by a substantial majority, this legislation which provides that such publications of nonprofit organizations may be included among those which receive no increases.

Mr. SMITH of Wisconsin. I know as a matter of fact that some of them have very huge profits at the end of the year.

Mr. REES of Kansas. The House agreed to an amendment submitted by the gentleman from Minnesota, which provided no increases for nonprofit religious, educational, and fraternal organizations.

Mr. SMITH of Wisconsin. In those instances, that I have in mind, I think there has been an abuse of this privilege.

Mr. REES of Kansas. I know the gentleman has given these matters a great deal of study and care, and I also know that his views with respect to this matter ought to have a great deal of consideration.

Mr. KERSTEN of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. I yield.

Mr. KERSTEN of Wisconsin. It is my understanding that the religious publications are given consideration here. That is true, is it not?

Mr. REES of Kansas. That is correct, as they have in the past.

Mr. KERSTEN of Wisconsin. Yes; as they have been in the past. There is not any more of a burden upon them; is that correct?

Mr. REES of Kansas. That is correct.

Mr. KERSTEN of Wisconsin. Is that also true so far as those publications that are designed for use in schools, even though there is a profit involved?

Mr. REES of Kansas. Those publications for use in classrooms?

Mr. KERSTEN of Wisconsin. Yes; for use in classrooms.

Mr. REES of Kansas. That is correct.

Mr. KERSTEN of Wisconsin. They are also protected to the same extent?

Mr. REES of Kansas. They are given preferred consideration by this legislation.

Mr. KERSTEN of Wisconsin. I am happy to know that.

Mr. REES of Kansas. They are given a preferred position as approved by the House 2 weeks ago.

Mr. KERSTEN of Wisconsin. I am glad to hear that because I think they deserve that consideration.

Mr. REES of Kansas. I appreciate the gentleman's views.

With respect to third-class mail there is a deficit of \$135,000,000, according to the best estimate obtainable. This legislation will raise revenue of \$17,500,000 next year and approximately \$35,000,000 in the years thereafter, if we have similar mailings and similar profits. Of course, if we have additional costs in handling this business, then the deficit will not be decreased as much as I have indicated.

The chairman of our committee has indicated what has occurred with reference to fourth-class mail. This House did not give consideration to in-



creasing fourth-class mail, because both the House and the other body agreed and directed the Postmaster General to request the Interstate Commerce Commission to fix rates in accordance with the present law. The other body saw fit to fix some of those rates after all. That provision of the Senate bill was stricken out. There was a difference there of \$40,000,000.

There is a provision in the conference substitute that was not in the House bill, and that is with respect to the appointment of a joint commission on postal service, composed of members of the House and Senate Post Office and Civil Service Committees, to study and investigate matters relating to the problem of postal rates. That is included in this present legislation. This legislation provides an authorization for \$100,000 to be spent for that purpose. My own opinion was that \$50,000 would be sufficient to start with, but I was overruled in that regard.

The SPEAKER. The time of the gentleman from Kansas has expired.

Mr. MURRAY of Tennessee. Mr. Speaker, I yield the gentleman five additional minutes.

Mr. FORD. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Michigan.

Mr. FORD. Was any estimate made of the annual savings that would accrue from the imposition of the graduated leave program?

Mr. REES of Kansas. I believe the answer is that there is not very much saving as compared with the annual leave program in effect at the present time. That is to say, there is a saving in the classified service, but it is offset, to a considerable degree, by reason of increasing leave for those in the postal service.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Iowa.

Mr. GROSS. Did the gentleman in his discussion with the conferees from the other body obtain any information as to how much saving was made with respect to the curtailment that was put into effect last year on deliveries and collections of mail?

Mr. REES of Kansas. That question was not considered by the conference committee at all. It was not included in this legislation. So, for that reason, there was no occasion to discuss it in this conference committee. I will say to the gentleman that the conference committee did spend a great deal of time in attempting to deal with this entire problem of how much money could be raised to partly offset the deficit in the postal service.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Was there anything done affecting the accumulated leave of persons who have, for instance, 60 or 90 days accumulated leave from past years of service?

Mr. REES of Kansas. No, because the amount of annual leave accumulated by

the employees will still remain to their credit after the passage of this bill. The limit on accumulation of annual leave is 60 days, the same as it is under present law.

However, with respect to sick leave there is no limit on the amount of accumulation.

Mr. AUGUST H. ANDRESEN. Are we to understand that the accumulated leave of 60 days is accumulated for the future after this bill becomes law, or a part of the old accumulated leave?

Mr. REES of Kansas. If an employee has already accumulated 60 days annual leave, he will not accumulate more under this bill.

Mr. SADLAK. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Connecticut, a member of our committee.

Mr. SADLAK. With the adoption of this conference report dealing with annual and sick leave, employees in all branches of the Government are treated equally, and the postal employees will have the same amount of leave as others; in other words, we have uniformity throughout the entire service.

Mr. REES of Kansas. As usual, the gentleman is eminently correct. We have had a great deal of discussion on the floor of the House and a lot more of it in the committee with respect to the fact that those in the postal service do not have as much leave as those in the classified service. We are certain this legislation will eliminate that criticism.

This legislation as it stands is expected to raise \$120,000,000 annually.

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent that all Members who so desire may have permission to extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. MURRAY of Tennessee. Mr. Speaker, I move the previous question.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

#### CORRECTION OF ROLL CALL

Mr. MADDEN. Mr. Speaker, on roll call No. 212 today I am recorded as not voting. I was present and voted "yea." I ask unanimous consent that the roll call be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

#### GENERAL LEAVE TO EXTEND REMARKS ON THE TAX BILL

Mr. COOPER. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may have permission to extend their remarks in the RECORD on the conference report on the tax bill, H. R. 4473, just prior to the ordering of the previous question.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

#### REVENUE ACT OF 1951

Mr. DOUGHTON. Mr. Speaker, I call up the conference report on the bill (H. R. 4473) to provide revenue, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House may be read in lieu of the report.

#### CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. COOPER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

#### [Roll No. 213]

Aandahl	Dondoro	Murray, Wis.
Allen, Calif.	Engle	O'Neill
Allen, La.	Fine	O'Toole
Anderson, Calif.	Golden	Passman
Anfuso	Granger	Perkins
Angell	Hagen	Phillips
Armstrong	Hays, Ark.	Powell
Baring	Hébert	Prouty
Bates, Ky.	Herlong	Quinn
Blackney	Hess	Reams
Boggs, La.	Irving	Redden
Bosone	Jackson, Calif.	Reed, Ill.
Bramblett	Johnson	Regan
Brooks	Kearney	Ribicoff
Brown, Ohio	Kelley, Pa.	Rogers, Fla.
Busbey	Kennedy	Roosevelt
Celler	Keogh	Sabath
Cole, N. Y.	Kilburn	Shelley
Combs	King	Sheppard
Crawford	Latham	Short
Crosser	Lucas	Sleminski
Curtis, Mo.	Lyle	Sikes
Dague	McDonough	Thornberry
Davis, Wis.	Mack, Ill.	Vinson
Dawson	Martin, Iowa	Vursell
Deane	Mason	Watts
Delaney	Miller, Calif.	Werdel
Dempsey	Morrison	Wilson, Tex.
D'Ewart	Murphy	Zablocki

The SPEAKER. On this roll call, 338 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

#### REVENUE ACT OF 1951

The SPEAKER. The gentleman from North Carolina [Mr. DOUGHTON] asks unanimous consent that the statement of the managers on the part of the House be read in lieu of the report. Is there objection?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of October 18, 1951.)

Mr. DOUGHTON (interrupting the reading of the statement). Mr. Speaker, I ask unanimous consent that the further reading of the statement of the managers on the part of the House be dispensed with, and that the same be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DOUGHTON. Mr. Speaker, I yield 5 minutes to the gentleman from Tennessee [Mr. COOPER].

(Mr. COOPER asked and was given permission to revise and extend his remarks.)



remember the newspaper headline. I do not know whether he saw it. Across the top of the newspaper, in very large type, it told about the distinguished Senator from South Carolina [Mr. JOHNSTON] coming home to fight for a real salary increase, mentioning \$500 and \$600. It was stated that at last the Federal employees had a chairman who was going to the people who had worked and slaved for the Government would get a real increase. It was a remarkable speech. In fact, I complimented the Senator from South Carolina on the magnificent political speech he had made in favor of an increase to these employees.

Now he comes back and he settles for a miserable \$300. The postal workers got \$400. The postal employees are organized. They have men like Bill Doherty and Jerome Keating, who work for them. They are real organizers. They have gotten practically 100 percent cooperation. The other Federal workers wander around aimlessly and get lost in the shuffle. The result is that they do not get \$400, but only \$300.

It is stated that the raise was made \$300 in order to save a little money. I believe about \$30,000,000 a year would be saved. On the same day that the salary-increase bill was passed the Senate passed a bill which gave \$7,157,000,000 to foreign countries.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. LANGER. Yes.

Mr. MALONE. Is the distinguished senior Senator from North Dakota aware of the fact that one of the recipients of the \$7,157,000,000 was Belgium, which retired their King Leopold to the back pasture on \$125,000 of our money a year?

Mr. LANGER. No; I did not know that. I do not believe that a king could get along on \$125,000 of American money. I suppose he could make a stab at it. Some of the Federal workers who have been given a \$300 raise are driving taxi cabs at night, their wives are out scrubbing floors, and their daughters, when they get to be 12 or 13 years of age, get jobs as baby sitters. The families of the workers cannot educate their children properly.

When an investigation was made about 2 years ago it was found that at the end of 20 years service for the Government a man could not even send one of his children to college. When the husband or wife falls sick and must go to the hospital, the family is in debt for years and years.

I like all my colleagues on the conference committee, but I wish to call attention to the fact that the House conferees voted 4 to 1 for a raise clear across the board. It may be that the House conferees are closer to the rank and file of our people, and know the kind of struggle they are having in meeting the highest cost of living in all the history of the United States of America.

So I wish to say that while I am not going to oppose adoption of the conference report, and I hope it will be adopted, yet I would be ashamed of myself, and I could not look at myself in the looking glass, if I were to vote for a miserable \$300 increase in pay. That is why I refused to sign the conference report.

Mr. PASTORE. Mr. President, I should like to call the attention of the Senate to one of the features of the conference report which I think is most important and requires the serious consideration of the Senate.

After action is taken on this conference report, I expect to call up and request immediate consideration for House bill 5329. I make that statement for the reason that by means of the Kilgore amendment, which was made on the floor of the Senate, we included in the benefits of Senate bill 622 the Metropolitan police, firemen, and school teachers of the District of Columbia. The conference committee did not agree to the retention of that amendment in the conference report. For that reason, the conferees on the part of the Senate receded from their position, and accepted the House version of the bill, which means that now the Metropolitan police, firemen, and school teachers of the District of Columbia are not included in the benefits provided by Senate bill 622.

However, it was generally felt by the members of the committee of conference that the House bill 5329 should be amended by including in it a provision for benefits similar to those which are being given to Federal Government employees under Senate bill 622.

Therefore, Mr. President, I now give notice that immediately after action is taken on the conference report, I shall ask unanimous consent for the consideration of House bill 5329, which already has been reported favorably by the committee, with an amendment. That bill is for the purpose of extending the same benefits to the Metropolitan police, firemen, and school teachers of the District of Columbia.

Mr. President, I now move the adoption of the conference report on Senate bill 622.

The report was agreed to.

#### INCREASE IN SALARIES OF DISTRICT OF COLUMBIA POLICE, MEMBERS OF THE FIRE DEPARTMENT, AND EMPLOYEES OF THE BOARD OF EDUCATION

Mr. PASTORE. Mr. President, I now ask unanimous consent for the immediate consideration of House bill 5329.

The VICE PRESIDENT. The bill will be stated by title, for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 5329), Calendar No. 977, to increase the salaries of the Metropolitan Police, the United States Park Police, the White House Police, members of the Fire Department of the District of Columbia, and employees of the Board of Education of the District of Columbia.

The VICE PRESIDENT. Is there objection to the request for the present consideration of the bill?

Mr. CARLSON. Mr. President, reserving the right to object, although I wish to assure the distinguished Senator from Rhode Island that I am not going to object, let me say that, as a matter of fact, I wish to commend the Senator from Rhode Island for bringing up this bill at this time. It had been my hope, too, that these employees might be included in the pay legislation which was

considered by our committee. In all fairness to the policemen, firemen, teachers, and other employees of the District of Columbia, I sincerely trust that they will be taken care of pursuant to the request of the Senator from Rhode Island.

The VICE PRESIDENT. Is there objection to the request of the Senator from Rhode Island for the present consideration of the bill?

Mr. LANGER. Mr. President, I should like to ask a question of the Senator from Rhode Island, if he will yield to me for a question.

Mr. PASTORE. Yes; I yield.

Mr. LANGER. Will the pay increase the policemen and school teachers will receive also be in the amount of a minimum of \$300?

Mr. PASTORE. That is correct.

Mr. LANGER. Does the Senator from Rhode Island believe that is enough?

Mr. PASTORE. I only say that at least it is consistent.

Mr. LANGER. Consistent with what, Mr. President?

Mr. PASTORE. Consistent with the bill we passed a moment ago.

Mr. LANGER. It is not consistent with the \$400 pay increase received by the postal employees, is it?

Mr. PASTORE. The situation is somewhat different. We have gone over that matter time and time again; all of it has been explained.

The fact is that if we consider the proportionate increase for those in the lowest pay scale in the classified service and for those in the lowest pay scale in the postal service, we find that the \$300, as compared with the \$400, is a very reasonable compromise.

My heart bleeds just as much as does that of the Senator from North Dakota for these workers.

Mr. LANGER. Mr. President, let me ask if it is true that the cost of living affects a poor man just as much as it does a man who receives a salary of \$12,000. A poor man has a grocery bill which is just as high; his bills for rent and the price he must pay for potatoes and beefsteak are just as large as those of the higher salaried employees, even though the former receives a salary of only \$3,000 or \$3,500, or in some instances only \$2,500. Is not that correct?

Mr. McFARLAND. Mr. President, let me ask how much beefsteak can be purchased by a man who receives a salary of \$3,500.

Mr. LANGER. That is exactly the point. Similarly, how much rent can be paid by a man who has a salary of \$3,200 or \$3,300 or \$3,500 a year?

At this time a proposal is made to increase their pay by \$300, at a minimum, on the basis of a pay increase of 10 percent, with a maximum increase of \$800 for those in the higher salary brackets.

I submit that the poor man is not getting a square deal by means of this measure. I submit that this bill should call for an increase of \$400 straight across the board, if the purpose of the bill is to provide for meeting the increase in the cost of living.

The VICE PRESIDENT. Is there objection to the request for the present consideration of the bill?



Mr. LANGER. I have no objection.

The VICE PRESIDENT. Is there objection to the request for the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 5329) to increase the salaries of the Metropolitan Police, the United States Park Police, the White House Police, members of the Fire Department of the District of Columbia, and employees of the Board of Education of the District of Columbia, which had been reported from the Committee on the District of Columbia with an amendment to strike out all after the enacting clause, and insert:

That (a) the annual compensation (including basic salary and additional compensation in lieu of overtime pay and night pay differential) of each officer and member of the Metropolitan Police, the United States Park Police, the White House Police, and the Fire Department of the District of Columbia, as increased by the act entitled "An act to provide for an adjustment of salaries of the Metropolitan Police, the United States Park Police, the White House Police and the members of the Fire Department of the District of Columbia, to conform with the increased cost of living in the District of Columbia," approved July 14, 1945, as amended and by the act entitled "An act to increase the compensation of certain employees of the municipal government of the District of Columbia, and for other purposes," approved June 30, 1949, shall be further increased by 10 percent, (plus 8 percent of such 10 percent as additional compensation in lieu of overtime pay and night pay differential) except that in no case shall such compensation be increased by less than \$300 per annum or by more than \$800 per annum. The proviso contained in the first sentence of the first section of said Act of June 30, 1949, is hereby repealed; but no officer or members covered by this section shall, by reason of the enactment of this section, be paid with respect to any pay period, basic salary, or basic salary plus additional compensation at a rate in excess of \$11,130 per annum.

(b) (1) Each employee of the Board of Education of the District of Columbia whose salary is fixed and regulated by the District of Columbia Teachers' Salary Act of 1947, except the Superintendent of Schools, shall receive, in addition to the compensation already provided by such act and by the Act of June 30, 1949, compensation at the rate of 10 percent of the aggregate compensation provided by such acts, except that in no case shall the additional compensation provided for in this paragraph be increased by less than \$300 per annum or by more than \$800 per annum.

(2) The basic and maximum salaries for all salary classes in Title I of the District of Columbia Teachers' Salary Act of 1947, except class 29, are hereby increased by 10 percent, except that in no case shall any such basic or maximum salary be increased by less than \$300 per annum or by more than \$800 per annum.

(c) In the exercise of the authority granted by section 81 of title 2 of the Canal Zone Code, as amended, the Governor of the Canal Zone is authorized and directed to grant additional compensation to policemen, firemen, and school teachers employed by the Canal Zone Government, whenever additional compensation is granted to employees of the District of Columbia employed in similar or comparable positions. The additional compensation for such Canal Zone employees shall be effective as of the date any additional compensation is granted to similar or comparable employees of the District of Columbia.

SEC. 2. Authority is hereby granted to the Commissioners and to other wage-fixing au-

thorities of the municipal government of the District of Columbia, the Secretary of the Interior and the President of the United States, in their discretion, to grant additional compensation at rates not to exceed those prevailing without regard to the provisions of section 3679 of the Revised Statutes, as amended (31 U. S. C. 665), additional compensation at rates not to exceed those prevailing in the District of Columbia for similar or comparable employment to each employee in or under the municipal government of the District of Columbia, National Capital Parks and the Executive Mansion Grounds, whose compensation is fixed and adjusted from time to time by a wage board, or whose compensation is fixed without reference to the Classification Act of 1949, as amended, or whose compensation is limited or fixed specifically by the provisions of the District of Columbia Appropriation Act, 1952.

SEC. 3. This act, except section 2 hereof, shall become effective as of the first day of the first pay period which began after June 30, 1951.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

Without objection, the amendment is agreed to; and, without objection, the amendment will be engrossed, and the bill will be read the third time, and passed.

Mr. PASTORE. Mr. President, before that action is taken, I wish to offer an amendment to the committee amendment.

The VICE PRESIDENT. The Chair begs the pardon of the Senator from Rhode Island.

The question now is on agreeing to the committee amendment; and to that amendment the Senator from Rhode Island submits an amendment, which will be stated.

The Chief Clerk. In the committee amendment, on page 7, in line 1, after the word "Act", it is proposed to strike out "except section 2 hereof".

On page 7, line 1, after the numeral "(3)", it is proposed to insert the letter "(a)".

On page 7, it is proposed to insert a new subsection (b) to section 3, as follows:

(b) No retroactive compensation or salary shall be payable by reason of the enactment of this act in the case of any individual not in the service of the United States (including service in the Armed Forces of the United States) or of the municipal government of the District of Columbia on the date of enactment of this Act, except that such retroactive compensation or salary shall be paid a retired officer or employee for services rendered during the period beginning with the first day of the first pay period which began after June 30, 1951, and ending with the date of his retirement.

Mr. CARLSON. Mr. President, will the distinguished Senator from Rhode Island explain the amendment to the committee amendment?

Mr. PASTORE. This amendment to the committee amendment is to take care of those who have left the service after July 1, 1951. The purpose is to give them retroactive pay only for the length of time they were actually employed after that date.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Rhode Island to the committee amendment.

The amendment to the amendment was agreed to.

Mr. JOHNSTON of South Carolina. Mr. President, to the committee amendment as amended, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. Is the Senator's amendment offered to the committee amendment?

Mr. JOHNSTON of South Carolina. It is.

The VICE PRESIDENT. The amendment to the committee amendment will be stated.

The Chief Clerk. In the committee amendment on page 7, before line 1, it is proposed to insert the following new section:

SEC. 3. (a) Public Law 159, Eighty-second Congress, is hereby amended by striking out section 3 thereof.

(b) This section shall be effective October 8, 1951.

On page 7, line 1, it is proposed to strike out "SEC. 3." and insert in lieu thereof "SEC. 4."

Mr. JOHNSTON of South Carolina. Mr. President, the purpose of this amendment to the committee amendment is to correct the mistake which we permitted to go in, in connection with another bill which gave employees a retroactive feature in regard to their retirement. That is something we have never done before, and the purpose of this amendment to the committee amendment is to correct that error, which went through.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from South Carolina to the committee amendment.

The amendment to the amendment was agreed to.

The VICE PRESIDENT. Are there further amendments to be proposed to the committee amendment?

If not, the question is on agreeing to the committee amendment as amended.

The amendment, as amended, was agreed to.

The VICE PRESIDENT. The question now is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

#### READJUSTMENT OF POSTAL RATES— CONFERENCE REPORT

Mr. JOHNSTON of South Carolina. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1046) to readjust postal rates. I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The report was read.

(For conference report, see pp. 13795-13798, House proceedings of CONGRESSIONAL RECORD of October 18, 1951.)

Mr. JOHNSTON of South Carolina. Mr. President, as agreed upon by the



conferees and as passed in the House today by a voice vote, S. 1046 does the following:

**First-class mail:** Increases postage on postals and post cards from 1 to 2 cents with a surcharge of 10 percent if bought in quantities of 50 or more. Increases rate on drop letters from 1 to 2 cents. Drop letters are regular sealed letters mailed in office, without free delivery, for delivery in that office.

**Second-class mail:** Increases rate on second-class mail 10 percent annually for 3 years, said increase based on present rates, and exempts from such increase certain nonprofit organizations and also publications designed for classroom or religious instruction. Increases rate of transient second-class mail to 2 cents. Transient second-class mail are publications having second-class entry mailed by others than publishers, sample copies mailed by publishers in excess of 10 percent allowance, and copies mailed by publishers to persons not included in required legitimate list of subscribers.

**Third-class mail:** The minimum rate of third-class bulk mailings is increased from 1 to 1½ cents effective July 1, 1952. No increase in bulk mailing rates on mailings of certain nonprofit organizations.

**Fourth-class mail:** Makes no change in rates put into effect October 1, 1951, pursuant to order of ICC as to parcel post and catalogs but retains present rates on books.

**Special services:** Follows recommendation of Postmaster General as to all fees for special services except minimum special delivery fee which was raised from 15 to 20 cents instead of 23 cents as in original bill. Follows original bill as to leaving to Postmaster General adjustment in future of fees for special services which was recommended by the Hoover Commission, but both as to rates in fourth-class mail and special services attention is called to the investigation contemplated of all postal rates by the joint committee, which is set up under section 13 of the bill.

**Effective date:** Second-class mail, April 1, 1952; third class bulk mail, July 1, 1952; remainder of bill February 1, 1952.

**Estimated increase in revenue:** Based on 1950 cost ascertainment estimate of volume, without taking into consideration possible increase or decrease in volume, it is estimated that the bill will increase present postal revenue approximately \$117,000,000 first year; \$121,000,000 second year; \$125,000,000 third year, to which should be added, each year, the increase in revenue by reason of the increase in fourth-class mail, \$100,000,000.

Title 2 of the bill sets up a graduated annual and sick leave law as a substitute for the Douglas rider.

**The VICE PRESIDENT.** Is there objection to the present consideration of the report?

There being no objection, the report was considered and agreed to.

#### THE BIRTHDAY ANNIVERSARY OF A SOLDIER IN KOREA

**Mr. PASTORE.** Mr. President, a story came to my attention today which I considered to be very heartwarming and inspiring. I should like to share it with the other Members of the Senate. A young boy by the name of Charles Marston, who used to be a messenger in the Press Gallery and who is now in the thickest of the fighting in Korea, has just written a letter to his uncle, who is employed in the Capital of the Nation. Charles Marston's birthday will be next month, in November, and among the many things he said to his uncle was, that the one thing he desired the most for his birthday was an American flag. I am happy to report that his friends in the Senate will see to it that he gets his wish for his birthday.

But, Mr. President, I consider this story to be a noble example of the quality of our American youth. It is indeed an inspiration. It shows a sense and quality of devotion which gives us a hope for future peace and liberty on this, God's earth.

I wish to extend my congratulations and felicitations to Charles Marston, and to say to him that I think I bespeak the sentiments of the entire Senate in wishing him a very happy birthday in the month of November. We devoutly hope for him and for all our men, sons of very fine fathers and mothers, who are fighting in Korea, that their present will be a speedy termination of the hostilities in Korea and a quick, safe, and sound return to their homes in America.

#### AUTOMOBILES FOR CERTAIN DISABLED VETERANS—VETO MESSAGE

**Mr. LEHMAN.** Mr. President, I move that the Senate proceed immediately to reconsider the bill (S. 1864) to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes, the objections of the President of the United States to the contrary notwithstanding.

**The VICE PRESIDENT.** The Chair understands that by unanimous consent it has been agreed that following the disposition of the conference reports, the Senate would proceed to call the calendar of unobjected-to bills; but inasmuch as this is a privileged matter, the Chair presumes it is in order. So the Chair lays before the Senate the veto message; and the question is on the motion of the Senator from New York who moves that the Senate proceed to the reconsideration of Senate bill 1864, the objections of the President of the United States to the contrary notwithstanding.

**Mr. McFARLAND.** Mr. President, I hope the Senator will not insist upon his motion. Unanimous consent has been obtained to take up other matters. I omitted to state that the veto message would take precedence over a call of the calendar. But when unanimous consent is obtained the object of

it is to advise Senators of the business to be considered. There are many Senators interested in bills which are on the calendar, who are required to take trains, and I hope that we may dispose of the calendar.

**The VICE PRESIDENT.** The Chair feels that a veto message of the President is a privileged matter, and that a Senator has a right to move to reconsider the bill, the objections of the President of the United States to the contrary notwithstanding. In the absence of any agreement that the call of the calendar should take precedence over everything else. The question is on agreeing to the motion of the Senator from New York.

**Mr. LEHMAN.** Mr. President, a parliamentary inquiry.

**The VICE PRESIDENT.** The Senator will state it.

**Mr. LEHMAN.** The Senator from New York, who was chairman of the conference committee which approved this bill, or submitted this bill to the Senate, has given his assurance to a number of people that the message of the President vetoing Senate bill 1864 would be brought before the Senate. Obviously, the Senator from New York could give no assurance whatever in regard to the action of the Senate, but in view of the probability of an early adjournment or recess of the Congress, it would seem to me to be important to bring the matter to the attention of the Senate for such action as it may desire to take. I have always understood that a veto message of the President of the United States was a privileged matter. I do not want to press this, but I do wish to have some assurance that before we adjourn tonight this matter will be considered by the Senate.

**The VICE PRESIDENT.** The Chair will put the question again. The question is on the motion of the Senator from New York to reconsider the bill (S. 1864), the objection of the President of the United States to the contrary notwithstanding.

The motion was agreed to; and the Senate proceeded to reconsider the bill (S. 1864) to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes.

**The VICE PRESIDENT.** The veto message of the President has heretofore been read. Therefore, the question now before the Senate is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

**Mr. CARLSON.** I suggest the absence of a quorum.

**The VICE PRESIDENT.** The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Benton	Chavez	Ferguson
Brewster	Connally	Flanders
Bricker	Cordon	Fulbright
Butler, Md.	Dworshak	George
Carlson	Eaton	Green
Case	Ellender	Hayden



Hendrickson	Magnuson	Pastore
Hennings	Malone	Robertson
Hickenlooper	Maybank	Russell
Hill	McCarran	Saltonstall
Hoey	McCarthy	Schoeppel
Holland	McClellan	Smathers
Humphrey	McFarland	Smith, Maine
Hunt	McKellar	Smith, N. C.
Johnson, Tex.	McMahon	Sparkman
Johnston, S. C.	Millikin	Stennis
Kefauver	Monroney	Thye
Kerr	Moody	Watkins
Kilgore	Murray	Welker
Knowland	Neely	Williams
Langer	O'Connor	Young
Lehman	O'Mahoney	

The VICE PRESIDENT. A quorum is present.

The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

Mr. LEHMAN. Mr. President, I wish briefly to explain the bill. It authorizes payments by the Veterans' Administration for automobiles for certain disabled veterans of World War II and of the Korean conflict. The House approved the conference report on this bill on October 5. The Senate approved the report on October 11.

Senate bill 1864, as it passed the Senate unanimously on August 9, provided for the extension for three more years of the authority of the Administrator of Veterans' Affairs to pay for the purchase of automobiles for World War II veterans who have suffered the loss of, or loss of use of a leg. This measure also extended the same benefits to veterans of service in the Armed Forces who have seen active duty on or after June 27, 1950.

The House of Representatives amended the bill by inserting the language of House bill 4233 which it had passed on June 13. The House bill would have granted automobiles to veterans of World War I, World War II, and of the Korean conflict, who suffered either the loss of, or the loss of use of an arm or a leg, or those who are blind.

Senate bill 1864, as the House amended it, also permitted the payment of \$1,600 cash in lieu of the automobile.

The conference report, as it comes before the two Houses, has wider coverage than had the original Senate bill, but it is considerably less than the House amended version.

While the Senate conferees agreed to include under this legislation veterans who suffered the loss of, or loss of use of an arm or leg, or who are blind, the House conferees receded from their insistence on including World War veterans, and also agreed to eliminate the cash payment provision.

This measure would permit the Administrator of Veterans' Affairs to authorize payments on the purchase of automobiles for World War II veterans and veterans of the Korean conflict who have suffered the loss of, or loss of use of an arm or leg, or who are blind. It also changes the provision which requires the veteran to be able to operate the vehicle by permitting him, if he is physically unable to drive, to purchase one so that it may be operated for him by another person.

Mr. President, I believe the bill as passed represents a fair compromise of the differences between the House and Senate versions of this desirable legislation.

Mr. PASTORE. Mr. President, I rise to associate myself with the explanation made of the bill by the distinguished Senator from New York. I agree completely with him—that this is a fair compromise. The bill as we originally presented to and passed by the Senate extended to the Korean veterans the same benefits enjoyed by those of World War II. The bill was amended when it reached the House so that it became all-inclusive. In my humble opinion, it is a very realistic and practical compromise, and I think it makes a great deal of sense, because I could never understand why we should give an automobile to a leg amputee and at the same time deny one to a veteran who was completely blind. After all, a blind person may have a brother or a sister who can drive him in a car.

I consider it to be a fair compromise, and I shall vote to override the veto.

Mr. HUMPHREY. Mr. President—

The PRESIDING OFFICER (Mr. MONRONEY in the chair). The Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I listened to the explanation made by the Senator from New York, and I, of course, am familiar with the particular bill under consideration. It was reported by the Committee on Labor and Public Welfare. The bill was before us in the first session of the Eighty-first Congress, in the second session, and it is now before us in this session. The chairman of the subcommittee [Mr. LEHMAN] did an admirable job in preparing the bill, and I cannot understand why it should be vetoed in view of the compromises which have been made in a determined effort to eliminate the difficulties which arose from provisions in the prior measures. So I, for one, think the bill ought to be passed and made public law, and therefore I join with my colleagues from New York and Rhode Island.

Mr. MAGNUSON. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. MAGNUSON. I merely wanted to point out to the Senator from Minnesota that some years ago, immediately following World War II, we did attach to an appropriation bill at the last moment, in the closing days of the session, an appropriation to provide automobiles for so-called amputees. It was clearly understood at that time that we were merely trying to take care of one segment of the wounded. We did not have an opportunity to hold hearings.

I see in the Senate Chamber at this time the distinguished Congresswoman from Massachusetts, Mrs. ROGERS, who sponsored the provision in the House. I had the honor to sponsor the amendment in the Senate, and it was understood at that time that we would give this whole matter further study and extend the benefit to those who were worthy. In my opinion, the conferees have acted excellently in that regard. They have not resolved all the problems, but at the time when we specifically added an amendment to an appropriation bill to take care of one class of amputees we intended to go further and do what is now proposed.

Mr. HUMPHREY. Yes, and the Senator from Oregon [Mr. MORSE] worked

vigorously on this matter, both in this session of Congress and at prior sessions.

Mr. BENTON. Mr. President, I should like to point out to the Senate very briefly what seems to me a great difference between the bill which has just been vetoed and the vote taken in the last Congress on another veto by the President of a bill dealing with veterans' interests. Last year the President vetoed a bill to provide free medical service to Spanish-American War veterans regardless of the cause of their injuries. In other words, if a Spanish-American War veteran went into a bar and was hit over the head and wanted to go to a veterans' hospital and spend the rest of his life at Government expense, under the bill then passed he was privileged to do so. Only three Members of the Senate voted to sustain the President's veto of that bill, the Senator from Louisiana [Mr. ELLENDER], the Senator from Virginia [Mr. ROBERTSON], and myself.

The bill now before the Senate seems to me to be a wholly different type and character of measure. As I voted to sustain the President's veto last year, so I shall vote to override his veto this year, because in my judgment we cannot be too generous with the boys who have been maimed as young men, right at the start of their life's career.

I congratulate the Senator from New York [Mr. LEHMAN] for his leadership, and I congratulate Congresswoman ROGERS for the way she has worked, has had the boys brought to the Capital, and has kept everlastingly at it until we have reached the point where we are today.

Mr. CARLSON. Mr. President, before final action is taken on the veto message, I desire to express appreciation for the very excellent service rendered by the Congresswoman from Massachusetts, Mrs. ROGERS, on the type of bill which has been vetoed. It was my privilege to serve for several terms in the House of Representatives, and during that time Mrs. ROGERS initiated this type of legislation. She has persisted in pressing for such legislation and is to be congratulated by the maimed veterans of the United States for the excellent work she has done in their behalf. While a Member of the House of Representatives I supported legislation of this type and today I am going to vote to override the President. We spend billions of dollars all over the world—certainly we should be generous to those who were maimed in service.

The PRESIDING OFFICER. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding? Under the Constitution, a ye-a-and-nay vote is required, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Kentucky [Mr. CLEMENTS], the Senator from Iowa [Mr. GILLETTE], and the Senator from Colorado [Mr. JOHNSON] are absent by leave of the Senate.

The Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi









Public Law 233 - 82d Congress  
Chapter 631 - 1st Session  
S. 1046

AN ACT

All 65 Stat. 672.

To readjust postal rates.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

TITLE I

Postal rates.

FIRST-CLASS MAIL

SECTION 1. (a) The rate of postage on each single postal card issued and sold under the provisions of section 3916 of the Revised Statutes (U. S. C., title 39, sec. 356), and on each portion of double postal cards issued and sold under the provisions of the Act of March 3, 1879 (U. S. C., title 39, sec. 358), shall be 2 cents: *Provided*, That on all single and double postal cards sold in quantities of fifty or more there shall be an additional charge of 10 per centum. The rate of postage on each private mailing or post card conforming to the conditions prescribed by the Act of May 19, 1898 (U. S. C., title 39, sec. 281), shall be 2 cents.

Postal cards.

20 Stat. 362.

30 Stat. 419.

(b) Except as provided in paragraph (a) of this section, the rate of postage on mail matter of the first class when mailed for local delivery at post offices where free delivery by carrier is not established and when the matter is not collected or delivered by rural or star route carriers, shall be 2 cents for each ounce or fraction thereof.

Rate of postage.

SECOND-CLASS MAIL

SEC. 2. (a) In the case of publications entered as second-class matter (including sample copies to the extent of 10 per centum of the weight of copies mailed to subscribers during the calendar year) when mailed by the publisher thereof from the post office of publication and entry or other post office where such entry is authorized, or when mailed by news agents (registered as such under regulations prescribed by the Postmaster General) to actual subscribers thereto or to other news agents for the purpose of sale, the total postage computed at the pound rates in effect under existing law and based on the bulk weight of each mailing shall be increased (1) by 10 per centum, beginning on April 1, 1952, (2) by an additional 10 per centum, based on the rates now in force, beginning on April 1, 1953, and (3) by an additional 10 per centum, based on the rates now in force, beginning on April 1, 1954: *Provided*, That publications having over 75 per centum advertising in more than one-half of their issues during any twelve months' period shall not be accepted for mailing as second-class matter and their entry shall be revoked, except that for the purpose of this proviso only, a charge made solely for the publication of transportation schedules, fares, and related information shall not be construed as constituting a charge for advertising: *Provided further*, That the rate of postage on newspapers or periodicals maintained by and in the interests of religious, educational, scientific, philanthropic, agricultural, labor, veterans' or fraternal organizations or associations, not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual, shall be 1½ cents per pound or fraction thereof, and the increases provided by this section shall not apply to such rate: *And provided further*, That existing rates shall continue in effect with respect to any religious, educational, or scientific publication designed specifically for use in school classrooms or in religious instruction classes. The publisher of any such newspaper, periodical, or publication before being entitled to such rate shall furnish proof

Nonapplicability.

of qualification to the Postmaster General at such times and under such conditions as the Postmaster General may prescribe.

Free-in-county  
mailing.

(b) The free-in-county mailing privilege and the rates of postage on copies of publications of the second class when addressed for delivery within the county in which they are published and entered as such shall be the same as authorized by existing law: *Provided further*, That copies of a publication mailed at a post office where it is entered, for delivery by letter carriers at a different post office within the delivery limits of which the headquarters or general business office of the publisher is located, shall be chargeable with postage at the rate that would be applicable if the copies were mailed at the latter office, unless postage chargeable at the pound rates from the office of mailing is higher, in which case such higher rates shall apply.

(c) In no case, except where the free-in-county mailing privilege is applicable, shall the postage on each individually addressed copy be less than one-eighth of 1 cent.

Sample copies,  
etc.

(d) The rate of postage on copies of publications having second-class entry mailed by others than the publishers or authorized news agents, sample copies mailed by the publishers in excess of the 10 per centum allowance entitled to be sent at the pound rates, and copies mailed by the publishers to persons who may not be included in the required legitimate list of subscribers, shall be 2 cents for the first two ounces and 1 cent for each additional two ounces or fraction thereof, except when the postage at the rates prescribed for fourth-class matter is lower, in which case the latter rates shall apply, computed on each individually addressed copy or package of unaddressed copies, and not on the bulk weight of the copies and packages.

#### THIRD-CLASS MAIL

SEC. 3. The rate of postage on third-class matter shall be 2 cents for the first two ounces or fraction thereof, and 1 cent for each additional ounce or fraction thereof up to and including eight ounces in weight, except that the rate of postage on books and catalogs, of twenty-four pages or more, seeds, cuttings, bulbs, roots, scions, and plants not exceeding eight ounces in weight shall be 2 cents for the first two ounces or fraction thereof and 1½ cents for each additional two ounces or fraction thereof: *Provided*, That upon payment of a fee of \$10 for each calendar year or portion thereof and under such regulations as the Postmaster General may establish for the collection of the lawful revenue and for facilitating the handling of such matter in the mails, it shall be lawful to accept for transmission in the mails, separately addressed identical pieces of third-class matter in quantities of not less than twenty pounds, or of not less than two hundred pieces, subject to pound rates of postage applicable to the entire bulk mailed at one time: *Provided further*, That the rate of postage on third-class matter mailed in bulk under the foregoing provision shall be 14 cents for each pound or fraction thereof with a minimum charge per piece of 1 cent, except that in the case of books and catalogs of twenty-four pages or more, seeds, cuttings, bulbs, roots, scions, and plants the rate shall be 10 cents for each pound or fraction thereof with a minimum charge per piece of 1 cent: *Provided further*, That the minimum charge per piece of 1 cent specified in the foregoing proviso shall be increased to 1½ cents on July 1, 1952: *Provided further*, That pieces or packages of such size or form as to prevent ready facing and tying in bundles and requiring individual distributing throughout shall be subject to a minimum charge of 3 cents each: *And provided further*, That the rates prescribed by this section shall not apply with respect to matter mailed by religious, educational, scientific, philanthropic, agri-

Bulk mail.

Nonapplicabil-  
ity.



cultural, labor, veterans', or fraternal organizations or associations, not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual, and the existing rates shall continue to apply with respect to such matter.

## BOOKS

SEC. 4. The rates of postage prescribed by subsections (d) and (e) of section 204 of the Postal Rate Revision and Federal Employees Salary Act of 1948 shall remain in effect until otherwise provided by Congress.

62 Stat. 1263.  
39 U.S.C.  
§ 292a.

## SPECIAL DELIVERY

SEC. 5. Mail of any class shall be given the most expeditious handling and transportation practicable and immediate delivery at the office of address when, in addition to the regular postage, a special-delivery fee is prepaid thereon by means of special-delivery stamps or ordinary postage stamps, or in such other manner as the Postmaster General may prescribe, in accordance with the following schedule: Matter weighing not more than two pounds, if of the first class, 20 cents; if of any other class, 35 cents. Matter weighing more than two but not more than ten pounds, if of the first class, 35 cents; if of any other class, 45 cents. Matter weighing more than ten pounds, if of the first class, 50 cents; if of any other class, 60 cents.

## REGISTERED MAIL

SEC. 6. (a) Mail matter shall be registered on the application of the party posting the same. The registry fees, which shall be in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by this subsection, shall be as follows:

For articles having no intrinsic value and for which no indemnity is payable, 30 cents;

For registry indemnity not exceeding \$5, 40 cents;

For registry indemnity exceeding \$5 but not exceeding \$25, 55 cents;

For registry indemnity exceeding \$25 but not exceeding \$50, 65 cents;

For registry indemnity exceeding \$50 but not exceeding \$75, 75 cents;

For registry indemnity exceeding \$75 but not exceeding \$100, 85 cents;

For registry indemnity exceeding \$100 but not exceeding \$200, 95 cents;

For registry indemnity exceeding \$200 but not exceeding \$300, \$1.05;

For registry indemnity exceeding \$300 but not exceeding \$400, \$1.15;

For registry indemnity exceeding \$400 but not exceeding \$500, \$1.25;

For registry indemnity exceeding \$500 but not exceeding \$600, \$1.35;

For registry indemnity exceeding \$600 but not exceeding \$700, \$1.45;

For registry indemnity exceeding \$700 but not exceeding \$800, \$1.55;

For registry indemnity exceeding \$800 but not exceeding \$900, \$1.65;

For registry indemnity exceeding \$900 but not exceeding \$1,000, \$1.75: *Provided*, That for registered mail having a declared value in excess of \$25 a registry fee of not less than 55 cents shall be paid.

(b) For registered mail or insured mail treated as registered mail having a declared value in excess of the maximum indemnity covered by the registry or insurance fee paid there shall be charged additional fees (known as "surcharges") as follows: When the declared value

exceeds the maximum indemnity covered by the registry or insurance fee paid by not more than \$50, 2 cents; by more than \$50 but not more than \$100, 3 cents; by more than \$100 but not more than \$200, 4 cents; by more than \$200 but not more than \$400, 6 cents; by more than \$400 but not more than \$600, 7 cents; by more than \$600 but not more than \$800, 8 cents; by more than \$800 but less than \$1,000, 10 cents; and if the excess of the declared value over the maximum indemnity covered by the registry or insurance fee paid is \$1,000 or more, the additional fees for each \$1,000 or part of \$1,000 on articles destined to points within the several zones applicable to fourth-class matter shall be as follows:

For local delivery or for delivery within the first zone, 12 cents;

For delivery within the second zone, 14 cents;

For delivery within the third zone, 16 cents;

For delivery within the fourth zone, 17 cents;

For delivery within the fifth or sixth zones, 18 cents;

For delivery within the seventh or eighth zones, 19 cents: *Provided*, That for registered mail or insured mail treated as registered mail of such kind or character that it may be carried at less than the maximum risk of loss in the mails, the Postmaster General may prescribe rules for determining upon what part of the declared value in excess of the maximum indemnity covered by the registry or insurance fee paid the additional fees shall be based.

#### RETURN RECEIPTS FOR REGISTERED MAIL

SEC. 7. Whenever the sender of any registered mail shall so request, and upon payment of a fee of 7 cents at the time of mailing or of 15 cents subsequent to the time of mailing, a receipt shall be obtained for such registered mail, showing to whom and when the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided*, That upon payment of the additional sum of 24 cents at the time of mailing of any such registered mail, a receipt shall be obtained for such registered mail, showing to whom, when, and the address where the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided further*, That no refund shall be made of fees paid for return receipts for registered mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the postal service.

#### FEES FOR INSURED MAIL

SEC. 8. The fees for insurance, which shall be in addition to the regular postage, and the limits of indemnity therefor within the maximum indemnity provided by this section, shall be as follows: 5 cents for indemnification not exceeding \$5; 10 cents for indemnification exceeding \$5 but not exceeding \$10; 15 cents for indemnification exceeding \$10 but not exceeding \$25; 20 cents for indemnification exceeding \$25 but not exceeding \$50; 30 cents for indemnification exceeding \$50 but not exceeding \$100; 35 cents for indemnification exceeding \$100 but not exceeding \$200.

#### RETURNED RECEIPTS FOR INSURED MAIL

SEC. 9. Whenever the sender of an insured article of mail on which other than the minimum fee was paid shall so request, and upon payment of a fee of 7 cents at the time of mailing or of 15 cents subsequent to the time of mailing, a receipt shall be obtained for such insured mail, showing to whom and when the same was delivered, which receipt



shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided*, That upon payment of the additional sum of 24 cents at the time of mailing of any insured article of mail on which other than the minimum fee was paid, a receipt shall be obtained for such insured mail, showing to whom, when, and the address where the same was delivered, which receipt shall be returned to the sender, and be received in the courts as prima facie evidence of such delivery: *Provided further*, That no refund shall be made of fees paid for return receipts for insured mail where the failure to furnish the sender a return receipt or the equivalent is not due to the fault of the postal service.

#### FEEES FOR COLLECT-ON-DELIVERY MAIL

SEC. 10. The fees for collect-on-delivery service for sealed domestic mail matter of any class bearing postage at the first-class rate and for domestic third- and fourth-class mail matter shall, in addition to the regular postage and any other required fees, be as follows: 30 cents for collections and indemnity not exceeding \$5; 40 cents for collections and indemnity exceeding \$5 but not exceeding \$10; 60 cents for collections and indemnity exceeding \$10 but not exceeding \$25; 70 cents for collections and indemnity exceeding \$25 but not exceeding \$50; 80 cents for collections and indemnity exceeding \$50 but not exceeding \$100; 90 cents for collections and indemnity exceeding \$100 but not exceeding \$150; \$1 for collections and indemnity exceeding \$150 but not exceeding \$200.

#### REGISTERED COLLECT-ON-DELIVERY MAIL

SEC. 11. (a) The fee for collect-on-delivery service for registered sealed domestic mail of any class bearing postage at the first-class rate shall, in addition to the regular postage and any other required fees, be 80 cents for collections and indemnity not exceeding \$10; \$1.10 for collections and indemnity exceeding \$10 but not exceeding \$50; \$1.20 for collections and indemnity exceeding \$50 but not exceeding \$100; \$1.40 for collections and indemnity exceeding \$100 but not exceeding \$200. The maximum amount of charges collectible on any registered sealed domestic collect-on-delivery article shall be \$200.

(b) When indemnity in excess of \$200 is desired, the fee for such registered sealed domestic collect-on-delivery mail shall, in addition to the regular postage and any other required fees, be \$1.50 for indemnity exceeding \$200 but not exceeding \$300; \$1.60 for indemnity exceeding \$300 but not exceeding \$400; \$1.70 for indemnity exceeding \$400 but not exceeding \$500; \$1.80 for indemnity exceeding \$500 but not exceeding \$600; \$1.90 for indemnity exceeding \$600 but not exceeding \$700; \$2 for indemnity exceeding \$700 but not exceeding \$800; \$2.10 for indemnity exceeding \$800 but not exceeding \$1,000.

#### FEEES FOR SPECIAL SERVICES

SEC. 12. (a) The Postmaster General is authorized to prescribe by regulation from time to time the fees which shall be charged by the postal service—

- (1) for the registry of mail matter;
- (2) for the insurance of mail matter, or other indemnification of senders thereof for articles damaged or lost;
- (3) for securing a signed receipt upon the delivery of registered or insured mail matter and returning such receipt to sender;
- (4) for collect-on-delivery service;
- (5) for special-delivery service;

- (6) for special-handling service;
- (7) for the issuance of money orders;
- (8) for notice to publishers of undeliverable second-class mail, for notice of change of address, and for notice to addressee or sender of undeliverable third- or fourth-class matter, or of undeliverable second-class matter mailed at the transient rate.
- (b) Regulations issued by the Postmaster General under subsection (a) shall, to the extent prescribed therein, supersede existing laws, regulations, and orders governing the fees for the services covered thereby.

JOINT COMMITTEE ON POSTAL SERVICE

Establishment.

SEC. 13. (a) (1) There is hereby established a Joint Committee on the Postal Service (hereinafter referred to as the "joint committee"), to be composed of three members of the Committee on Post Office and Civil Service of the Senate, to be appointed by the President of the Senate, and three members of the Committee on Post Office and Civil Service of the House of Representatives, to be appointed by the Speaker of the House of Representatives.

(2) The chairman of the joint committee shall be the chairman of the Post Office and Civil Service Committee of the Senate, and the vice-chairman shall be the chairman of the Committee on Post Office and Civil Service of the House of Representatives. Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as the original selection. A majority of the members of the joint committee, or any subcommittee thereof, shall constitute a quorum for the transaction of business, except that a lesser number, to be fixed by the joint committee, shall constitute a quorum for the purpose of taking sworn testimony.

Study and investigation.

(b) The joint committee, acting as a whole or by subcommittee, shall conduct a thorough study and investigation in respect of the following matters:

(1) Postal rates and charges in relation to the reasonable cost of handling the several classes of mail matter and special services, with due allowances in each class for the care required, the degree of preferment, priority in handling, and economic value of the services rendered and the public interest served thereby.

(2) The extent to which expenditures now charged to the Post Office Department for the following items should be excluded in considering costs for the several classes of mail matter and special services:

- (A) Expenditures for free postal services;
- (B) Expenditures in excess of revenues for international postal services;
- (C) Expenditures for subsidies for postal services pursuant to law or legislative policy of Congress;
- (D) Expenditures in excess of revenues, pursuant to the Act of June 5, 1930 (39 U. S. C. 793), not enumerated in the preceding subparagraphs (A), (B), or (C);
- (E) Expenditures for services of any character not otherwise enumerated herein which may be performed for other departments and agencies of the Government; and
- (F) Expenditures which may be justified only on a national welfare basis and not primarily as a business function.

46 Stat. 523.

(3) Expenditures for the Post Office Department by other Government agencies which should be considered in connection with the cost for the handling of the several classes of mail matter and special services, such as employees' retirement, use of Government buildings, and maintenance services.



(4) The extent, if any, to which Post Office Department expenditures in excess of revenue, for its various services and for the handling of various classes of mail, are justified as being in the public interest.

(c) (1) The joint committee, or any duly authorized subcommittee thereof, is authorized (A) to hold such hearings; (B) to sit and act at such places and times; (C) to require, by subpoena or otherwise, the attendance of such witnesses and the production of such books, papers, and documents; (D) to administer such oaths; (E) to take such testimony; (F) to procure such printing and binding; and (G) to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not exceed 25 cents per hundred words. The provisions of sections 102 to 104, inclusive, of the Revised Statutes shall apply in the case of any failure of any witness to comply with a subpoena or to testify when summoned under authority of this section.

Powers.

Stenographic services.

2 U.S.C.  
§§ 192-194.

(2) The joint committee is authorized to appoint and fix the compensation of such personnel as it deems necessary to assist it in the performance of its functions. Such compensation shall not be fixed at a rate in excess of the maximum rate payable under section 202 (e) of the Legislative Reorganization Act of 1946, as amended, in the case of employees of standing committees, except that the joint committee may employ part-time consultants, experts, and technicians at a per diem rate not in excess of \$50. The joint committee may also contract for the service of accounting and management engineering firms to assist it in the performance of its functions. Insofar as practicable, the joint committee shall employ persons familiar with the operation of the postal service, accounting practices, or problems of public transportation and distribution with special reference to rate making in those fields. The chairman and vice chairman of the joint committee are authorized to assign from time to time the members of the staff of their respective committees to duties and responsibilities in connection with the operation of such joint committee.

Personnel, etc.

60 Stat. 835.  
2 U.S.C. § 72a.

(d) The joint committee shall report from time to time to the committees of the Senate and House of Representatives from which the membership of the joint committee was appointed, and shall submit its final report to the Senate and the House of Representatives not later than January 15, 1953, of the results of its study and investigation together with such recommendations as to necessary legislation as it may deem advisable. Upon the submission of such final report the joint committee shall cease to exist.

Reports to Congress.

(e) There is hereby authorized to be appropriated not in excess of \$100,000 to carry out the purposes of this section, to be disbursed by the Secretary of the Senate on vouchers signed by the chairman and vice chairman of the joint committee.

Termination of committee.  
Appropriation authorized.

#### REPEAL OF EXISTING PROVISIONS

SEC. 14. All existing laws or portions thereof, inconsistent or in conflict with this title, are hereby amended or repealed.

#### APPLICATION TO GUAM

SEC. 15. This Act shall have the same force and effect within Guam as within other possessions of the United States.

#### EFFECTIVE DATE

SEC. 16. This title shall take effect on the first day of the third calendar month following the calendar month in which it is enacted,

except the rates herein provided for second-class mail shall take effect on the first day of the second quarter beginning after the approval of this Act.

Annual and  
Sick Leave Act  
of 1951.

## TITLE II

SEC. 201. This title may be cited as the "Annual and Sick Leave Act of 1951".

### COVERAGE AND EXEMPTIONS

SEC. 202. (a) Except as provided in subsection (b), this title shall apply to all civilian officers and employees of the United States and of the government of the District of Columbia, including officers and employees of corporations wholly owned or controlled by the United States.

(b) (1) This title shall not apply to—

(A) teachers and librarians of the public schools of the District of Columbia;

(B) part-time officers and employees (except hourly employees in the field service of the Post Office Department) for whom there has not been established a regular tour of duty during each administrative workweek;

(C) temporary employees engaged on construction work at hourly rates;

(D) employees of the Canal Zone Government and the Panama Canal Company when employed on the Isthmus of Panama;

(E) commissioned officers of the Public Health Service;

(F) commissioned officers of the Coast and Geodetic Survey;

(G) doctors, dentists, and nurses in the Department of Medicine and Surgery of the Veterans' Administration;

(H) officers and employees of the Senate and House of Representatives; and

(I) officers and employees of any corporation under the supervision of the Farm Credit Administration of which corporation any member of the board of directors is elected or appointed by private interests.

(2) This title, except section 203 (g), shall not apply to alien employees who occupy positions outside the several States and the District of Columbia.

(3) Section 204 of this title shall not apply to officers and members of the Metropolitan Police and the Fire Department of the District of Columbia.

### ANNUAL LEAVE

Accrual rate.

SEC. 203. (a) Officers and employees to whom this title applies shall be entitled to annual leave with pay which shall accrue as follows—

(1) one-half day for each full biweekly pay period in the case of officers and employees with less than three years of service,

(2) three-fourths day for each full biweekly pay period (except that the accrual for the last full biweekly pay period in the year shall be one and one-fourth days) in the case of officers and employees with three but less than fifteen years of service, and

(3) one day for each full biweekly pay period in the case of officers and employees with fifteen years or more of service.

In determining years of service for the purposes of this subsection, there shall be included all service creditable under the provisions of section 5 of the Civil Service Retirement Act of May 29, 1930, as amended, for the purposes of an annuity under such Act and the determination of the period of service rendered may be made upon the basis of an affidavit of the employee. In the case of an officer or employee who is not paid on the basis of biweekly pay periods, the

46 Stat. 472.  
5 U.S.C. § 707.



leave provided by this title shall accrue on the same basis as it would accrue if such officer or employee were paid on the basis of biweekly pay periods.

(b) Any change in the rate of accrual of annual leave by an officer or employee under the provisions of this section shall take effect as of the beginning of the pay period following the pay period, or corresponding period in the case of an officer or employee who is not paid on the basis of biweekly pay periods, in which such officer or employee completes the prescribed period of service.

(c) The annual leave provided for in this section, which is not used by an officer or employee, shall accumulate for use in succeeding years until it totals not to exceed sixty days at the end of the last complete biweekly pay period, or corresponding period in the case of an officer or employee who is not paid on the basis of biweekly pay periods, occurring in any year.

Accumulation,  
limitation.

(d) Notwithstanding the provisions of subsection (c), a maximum accumulation not to exceed ninety days at the end of the last complete biweekly pay period, or corresponding period in the case of an officer or employee who is not paid on the basis of biweekly pay periods, in any year is authorized to the following categories of employees of the Federal Government, other than officers and employees in the Foreign Service of the United States under the Department of State, stationed outside the several States and the District of Columbia:

Employees out-  
side U.S.

(1) Persons directly recruited or transferred from the United States by the Federal Government.

(2) Persons employed locally but (A) who were originally recruited from the United States and have been in substantially continuous employment by other Federal agencies, United States firms, interests, or organizations, international organizations in which the United States Government participates, or foreign governments, and whose conditions of employment provide for their return transportation to the United States, or (B) who were at the time of employment temporarily absent from the United States for purposes of travel or formal study and maintained residence in the United States during such temporary absence.

(3) Persons who are not normally residents of the area concerned and who are discharged from the military service of the United States to accept employment with an agency of the Federal Government.

(e) Where an officer or employee to whom the provisions of subsection (d) are applicable, or who is in the Foreign Service of the United States under the Department of State, and whose post of duty is outside the several States and the District of Columbia returns to any such State or the District of Columbia on leave, the leave granted pursuant to this Act shall be exclusive of the time actually and necessarily occupied in going to and from his post of duty and such time as may be necessarily occupied in awaiting sailing or flight. The provisions of this subsection shall not apply with respect to more than one period of leave in any twenty-four month period.

(f) Officers and employees in the Foreign Service of the United States under the Department of State may be granted leave of absence, without regard to any other leave provided by this title, for use in the United States, its Territories or possessions, at a rate equivalent to one week for each four months of service outside the several States and the District of Columbia. Such leave may be accumulated for future use without regard to the limitation in subsection (c) but no such leave which is not used shall be made the basis for any terminal leave or lump-sum payment.

Foreign Service.

Alien employees  
outside U.S.

(g) Alien employees who occupy positions outside the several States and the District of Columbia may, in the discretion of the head of the department or agency concerned, be granted leave of absence with pay not in excess of the amount of annual and sick leave allowable under this title in the case of citizen employees.

Granting of  
leave.

(h) The annual leave provided for in this section, including such leave as will accrue to any officer or employee during the year, may be granted at any time during such year as the heads of the various departments and independent establishments may prescribe.

Service require-  
ment.

(i) Notwithstanding the provisions of subsection (a), an officer or employee shall be entitled to annual leave under this title only after having been employed currently for a continuous period of ninety days under one or more appointments without break in service. In any case in which an officer or employee completes a period of continuous employment of ninety days there shall be credited to him an amount of annual leave equal to the amount which, but for this subsection, would have accrued to him under subsection (a) during such period.

#### SICK LEAVE

SEC. 204. (a) Officers and employees to whom this title applies shall be entitled to sick leave with pay, which shall accrue on the basis of one-half day for each full biweekly pay period.

(b) The sick leave provided for in this section, which is not used by an officer or employee during the year in which it accrues, shall accumulate and be available for use in succeeding years.

(c) Not to exceed thirty days sick leave may be advanced in cases of serious disability or ailments and when required by the exigencies of the situation.

#### GENERAL PROVISIONS

Days of leave.

SEC. 205. (a) The days of leave provided for in this title shall mean days upon which an employee would otherwise work and receive pay, and shall be exclusive of holidays, and all nonworkdays established by Federal statute or by Executive or administrative order.

Pay-period  
employment.

(b) An employee shall be considered for the purposes of this title to have been employed for a full biweekly pay period if he shall have been employed during the days within such period, exclusive of holidays and all nonworkdays established by Federal statute or by Executive or administrative order, which fall within his basic administrative workweek.

Part-time em-  
ployees.

(c) Part time officers and employees, unless otherwise excepted, shall be entitled on a pro rata basis to the benefits provided by sections 203 and 204 of this title.

Rural carriers.

(d) The authorized absence of a rural carrier on Saturdays which occur within or at the beginning or end of a period of sick or annual leave of five or more days' duration (or four days' duration if a holiday falls within or at the beginning or end of the period of sick or annual leave) shall be without charge to such leave or loss of compensation. Saturdays occurring in a period of annual or sick leave taken in a smaller number of days may at the option of the carrier be charged to his accrued leave and when so charged he shall be paid for such absence.

#### REGULATIONS

SEC. 206. The Civil Service Commission is authorized to prescribe such rules and regulations as may be necessary to provide for the administration of this title.



## REPEALS

All 65 Stat. 682.

SEC. 207. (a) The following Acts or parts of Acts are hereby repealed:

- (1) The Act entitled "An Act to provide for vacations to Government employees, and for other purposes", approved March 14, 1936 (49 Stat. 1161). 5 U.S.C. §§ 29a, 30b-30e, 30f.
- (2) The Act entitled "An Act to standardize sick leave and extend it to all civilian employees", approved March 14, 1936 (49 Stat. 1162). 5 U.S.C. §§ 30f-30k, 30m.
- (3) Section 6 of the Act entitled "An Act to reclassify the salaries of postmasters, officers, and employees of the Postal Service; to establish uniform procedure for computing compensation; and for other purposes", approved July 6, 1945, as amended (59 Stat. 435). 39 U.S.C. § 856.
- (4) The paragraph under the heading "Public Printing and Binding" in the Act entitled "An Act making appropriations for sundry civil expenses of the government for the fiscal year ending June thirtieth, eighteen hundred and ninety-seven, and for other purposes", approved June 11, 1896 (44 U. S. C. 45), relating to leaves of absence of employees of the Government Printing Office. 29 Stat. 453.
- (5) The third proviso in the Act of August 29, 1916 (34 U. S. C. 513). 39 Stat. 557.
- (6) Sections 931 and 932 of the Foreign Service Act of 1946. 60 Stat. 1028.
- (7) Section 601 of the Independent Offices Appropriation Act, 1952. 22 U.S.C. §§ 1146, 1147.
- (b) Section 2 of the Act entitled "An Act to provide for the promotion of substitute employees in the postal service, and for other purposes", approved April 15, 1947 (61 Stat. 40), is amended by striking out the words "and leave". 39 U.S.C. § 862d.

## SAVING PROVISION

SEC. 208. (a) In any case in which—

(1) the amount of accumulated annual leave carried over into the calendar year 1952 by an officer or employee under provisions of law applicable to such officer or employee on December 31, 1951, is in excess of the amount allowable under the applicable provisions of section 203, or

(2) the amount of accumulated annual leave to the credit of an officer or employee who is subject to the provisions of section 203 (d) and who becomes subject to the provisions of section 203 (c) is in excess of the amount allowable under section 203 (c), such excess shall remain to the credit of such officer or employee until used, but the use during any year of an amount of leave in excess of the aggregate amount which shall have accrued during such year shall automatically reduce the maximum allowable accumulation at the end of the last complete biweekly pay period in any year until the accumulation of such officer or employee no longer exceeds the amount prescribed in the applicable provisions of section 203.

(b) An officer or employee heretofore subject to a system of leave administered on a calendar-day basis shall be deemed to have to his credit on the effective date of this title five-sevenths day of leave chargeable as provided in section 205 (a) for each calendar day's leave to his credit on such date.

(c) No officer or employee shall be considered, by reason of the enactment of this title, to have been transferred to an agency under a different leave system within the meaning of the Act entitled "An Act to provide for the payment to certain Government employees for accumulated or accrued annual leave upon their separation from Government service", approved December 21, 1944 (5 U. S. C. 61d).

58 Stat. 845.

Postal service.  
Annual and sick  
leave.  
65 Stat. 682.  
65 Stat. 683.

(d) Any person who served during the period from December 1, 1950, to January 6, 1952, as an employee in the postal service, other than a substitute rural carrier, under a temporary or indefinite appointment for not less than ninety days and who shall not have been separated from the postal service prior to January 6, 1952, shall be deemed to have earned annual leave at the rate of fifteen days per year and sick leave at the rate of 10 days per year, and for such purposes shall receive credit for one-twelfth of a year for each whole calendar month he was carried on the roll as a temporary or indefinite employee during such period.

EFFECTIVE DATE

65 Stat. 268. SEC. 209. This title shall take effect on January 6, 1952, except that paragraph (7) of section 207 (a) shall take effect as of the date of enactment of the Independent Offices Appropriation Act, 1952.  
Approved October 30, 1951.